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ai et arning for U.S.

The U.S. Congress was warned last night that its attitude could prove the make-or-buy factor in the new Sinal settlement.

A senior official aboard the aircraft shuttling Dr. Kissinger from Jerusalem to Alexandria last night said Israel would probably refuse to sign the accord unless Congress approves American volunteers taking part in the peace-keeping operation.

The two sides are expected to initial the agreement on Sunday or Monday, but formal signing was planned for Geneva in mid-September after President Ford, as he has pledged, has submitted the matter to Congress for approval.

Senator Mike Mansfield, the Senate majority leader, announced earlier this week that he opposes the pact. U.S. aid, Page 6

Explosion injures 29

A round-the-clock security system to prevent looting was set up last night at a 15-storey tower block in Booter where 29 people were injured in a gas explosion earlier in the day. A team of experts is examining the block, in which some of the flats will need completely rebuilding. Some 50 people were still without accommodation last night.

Corsica riots

France may send paratroops to Corsica, the government warned yesterday after a night of rioting which left a policeman dead and 18 others injured. This brought to three the number of police killed in clashes with separatists in the past week and three new companies of riot police were drafted into the city of Bastia. Page 5

Emperor's hoard

The Swiss Government has said it is prepared to mediate between the Ethiopian Government and Swiss banks in an effort to persuade the banks to divulge the whereabouts of the late Emperor Haile Selassie's fortune, estimated at between \$36m. and \$100m.

Fatal error

A children's book which mixes up mushrooms and toadstools in a picture caption is to be withdrawn by publishers IPC because it could cause a fatal accident. The book, the Look and Learn 6th Book of the Wonders of Nature, transposes captions so that a reader might be led to believe the Death Cap toadstool is harmless.

For Davis

Another man claiming to have been involved in the sabotage of the Headingley Test cricket cave himself up to police in London yesterday. He is Richard Ramsay, 28, of Stratford, who told reporters: "I did it for George Davis."

People and places

Four Sikhs who defied the law by riding motor-cycles without crash helmets were fined £10 each in Coventry yesterday. All said they would go to prison rather than pay.

Former Irish Republic President Eamon de Valera was still very weak at a Dublin nursing home yesterday and his condition was causing "much concern".

A woman was in voluntary quarantine in Blackburn yesterday after a holiday in New Quay, Dyfed, Wales, where two children have contracted polio.

Australia were 280-1 at the close on the first day of the final Test at The Oval; McCosker 128, Ian Chappell 142. Page 2

A dispute over etiquette on a Washington golf course yesterday left one player in hospital with a fractured skull, two others with stitches to the head and four broken golf clubs held by police as evidence.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISER	
Assoc. Dairies	100 + 8
Assoc. P. Cement	160 + 12
BTR	135 + 5
Beecham	295 + 5
"Bage"	290 - 7
Britannia	90 - 21
Chloride	94 + 5
Concrete	53 + 5
Dawson (Gas)	47 + 5
Ever Ready	87 + 5
Globe	325 + 5
Guinness (A.)	114 + 4
Hawker Siddeley	298 + 14
Hudonors Estates	190 + 5
Hill & Smith	44 + 10
Inchmaree	379 + 9
Kwik Save	20 + 15
Ladbrooke	171 + 12
Land Securities	181 + 7

Loc Refrigeration	82 + 11
Marley	80 + 6
Matthews Wrightson	138 + 6
Nurdin & Peacock	83 + 7
Assoc. Nat. Glass	48 + 6
Redland	90 + 6
Thorn Electrical	182 + 8
Tube Investments	225 + 8
Turner B	138 + 8
Unilever	351 + 6
Wheatheaf	142 + 12
White Child & Beney	42 + 3
BP	53 + 18
Shell Transport	53 + 18
North Broken Hill	128 + 8
Tara Explan	111 + 1
Portland Cement	55 + 25
Zambia Copper	35 + 4

Miners back £6 in boost for pay policy

BY JOHN ELLIOTT and JOHN WYLES

THE GOVERNMENT'S new pay policy received a significant boost yesterday from Britain's 260,000 miners only a few days before the annual Trades Union Congress debates the £6-a-week pay limit next Wednesday.

By a majority of three to two, it was announced yesterday, the miners have voted in pit-head ballots to support the new policy. This means that the National Union of Mineworkers will vote in favour of the policy on Wednesday.

The news was greeted as "evidence of the broad-based support from working people for the policy," by Mr. Jack Jones of the Transport Workers, and as an indication of "massive support among the community generally," by Mr. Len Murray, TUC general secretary.

The majority was not as large, however, as some union moderates had hoped, and Mr. Mick McGahey, Communist vice-president of the NUM, made

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it clear that he still wanted the miners to stick to their £100-a-week pay target later this year. This means that the Leftwing of the NUM will be making a determined bid when their pay talks start this winter to make the union go for more than the £6 despite the ballot result.

Other union leaders fear that rising unemployment and rising wages may ease the way for such a militant path which could undermine the stability of the policy. But in Ballpool, where TUC leaders yesterday started their pre-congress sessions of the TUC general council, the miners' result was seen as a significant step for the policy which looks like being approved by a 2-1 majority next Wednesday.

However, the precise form of the resolutions which will be put to the Congress on the £6 limit on unemployment will not be known until 18 resolutions and 16 amendments already tabled for debate have been merged at the week-end into maybe three or four composite resolutions.

All that is certain so far is that the TUC's policy document on the £6 limit will be put to the Congress and it is this that is expected to be backed by a 6m. to 3m. majority.

For the rest, much will depend on how hard the Engineers press their opposition. To the policy, on the one hand, and the miners' management to harness from trade union leaders, who are increasingly worried over the sharply rising unemployment figures, for an eight-point plan of action against unemployment.

House building recovery goes on

BY MICHAEL CASSELL

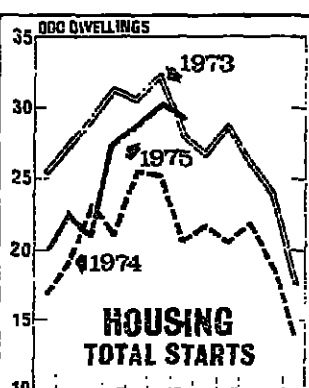
THE SHAKY recovery in the house building sector continues, though many contractors are still clearly reluctant to embark on major programmes because of the uncertain prospects for sales.

By comparison with last year's dismal performance, the housing sector is now considerably more buoyant, with activity at encouraging levels on both the private and local authority front. But output is still historically low and this year's programme is expected to show only a modest overall improvement in 1975.

There is evidence that builders in the private sector are stepping up work in the lower price ranges since cheaper houses are finding ready customers at a time when building society funds are plentiful.

In the higher-price brackets, however, houses are still proving difficult to sell and new activity is therefore at a low point. Council house construction remains at a reasonable level although there are doubts about how long this will continue, given the financial difficulties now confronting local authorities.

Provisional figures from the



In contrast, the present rate of housing completions reflects the poor levels of building activities recorded throughout 1974—one of the most disappointing years since the war as far as housing can be concerned.

In the private sector, only 12,000 homes were made ready for occupation in July, a drop of just over 1,000 from the previous month, but about 2,500 better than in the same month last year.

Council house completions were better, however, with the July total reaching 15,000 against 13,700 in June and only 10,700 12 months before.

Combined total for all types of housing completions in July, at 27,000, represented a further marginal improvement over the previous month and compares with a July 1974 total of 20,000.

Taking the latest three-month period to reduce the effect of monthly fluctuations, the Department says that total housing starts between May and the end of July were 2 per cent. up on the preceding quarter, and 25 per cent. higher than a year earlier.

Total completions, on the other hand, were also 2 per cent. up on the previous months and 25 per cent. up on the same period in 1974.

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CASUALTIES IN OXFORD STREET BUS QUEUE

Bomb blast in West End

A BOMB exploded in London's Oxford Street at about 10 p.m. last night. First reports said several people were hurt.

A man with an Irish accent called the Sun newspaper switch-board with a five-minute warning. He said: "A bomb has been planted in Peter Brown's shop, Oxford Street. It will go off in five minutes. Before hanging up—the call was made from a public-house—he added: 'They're in London now.'"

Peter Brown, a men's outfitter's shop, is at 25 Oxford Street, with offices of the Prudential Assurance Company and others above it.

It is on the South side of Oxford Street about 100 yards from Tottenham Court Road, and close to the underground station. The people who were injured were mostly from a

bus queue at the stop outside the shop.

A policeman said: "They seemed mostly to have just shock with a few cuts and bruises. They have all been taken to hospital."

Meanwhile police investigating Wednesday night's Caterham pub bombing said they want to interview two men with Northern Ireland accents who left the pub just before the explosion. The bomb, which went off in a crowded discotheque bar, injured 33 people, four of them seriously. The Provisional IRA has disclaimed responsibility for this attack and has stressed that it considers the eight-month-old ceasefire still to be in operation.

But militants inside seven Provisional "brigades" in Northern Ireland are now

reportedly restless and it is possible that similar activists in Britain may have acted without the authority of the Provisional's ruling seven-man Army council.

Mr. Liam Cosgrave, Ireland's Prime Minister, called on the British Government to take "appropriate action" to halt the sectarian killings in the province.

In a statement on RTE state radio he warned that violence, which has pushed up the death toll by 200 per cent. in the past three weeks over recent levels, and bombings were endangering relations between the two countries.

In London Mr. Airey Neave, Conservative spokesman on Northern Ireland, said broad Opposition support for Government policy would continue.

After a meeting with Mr. Merlyn Rees, Secretary for Northern Ireland, he said they agreed the Caterham blast was not immediately related to the failure of power-sharing talks in the Province.

He said Mr. Rees insisted that the release of detainees from Long Kesh would continue unless there was a return to full-scale para-military violence.

The prospects of political settlement also receded yesterday. Sir Robert Lowry, chairman of the constitutional Convention made it clear in a statement that inter-party negotiations on a new form of devolved government have broken down. The Loyalist UUUC coalition and the Catholic SDLP could not agree on power-sharing.

Engineering outlook 'grim': further drop in orders seen

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE "grim" and most pessimistic survey produced by the Engineering Employers' Federation since the first in 1968 shows that half the companies questioned expect new orders from the home market to continue to fall during the next year.

Only 30 per cent. forecast a volume increase. The survey holds very serious implications for employment prospects in the industry, which has the U.K.'s largest workforce.

It is also the country's biggest employer and the industry is only slightly less pessimistic about exports than it is about the home market. Some 37 per cent. of 706 companies surveyed are looking for a rise in export orders in the coming 12 months. But 39 per cent. expect them to fall.

The survey also shows the industry has doubts about its ability to take advantage of the new economic boom when it comes along. Shortages of working capital and skilled men among the two main factors likely to cause problems.

As in previous economic downturns, the industry has been de-stocking and in normal circumstances this has improved liquidity, leaving cash available to finance the next upturn.

"Today, however, this will not happen since inflation greatly affects the value of working capital," the EEF points out.

"When orders revive the increased level of business will be very difficult to finance. Even if this problem can be overcome by more borrowing and if changes in traditional gearing ratios become acceptable, the interest will increase costs."

There is no chance of the industry financing itself during

the next boom from retained profits either because, according to the EEF, "profits, which have been low for a long time, have now fallen to levels which threaten future prosperity." Although a 2 per cent. increase in gross trading profits was reported for last year, "this was

Spending drops

Manufacturing industry's capital spending dropped another 7 per cent. in real terms between the first and second quarters. Manufacturers' stocks fell £130m. in real terms—the first overall fall for two and a half years except for the three-day week period. Back Page.

against a background of a 21 per cent. rise in inflation in 1974-75.

Nearly one-third of the companies surveyed regarded shortages of skilled manpower as likely to be a major problem in the months ahead. In addition, there has been a sharp drop in apprentice intake.

Paradoxically, the shortages exist side by side with over-manning. A pilot-manpower survey by the EEF has confirmed that there is serious over-manning in many parts of engineering.

This includes overskilling the employment of skilled men on jobs which do not require their skills. There is also evidence of overmanning in white collar grades.

"A new look by both sides of industry into the whole problem of manpower in engineering is urgently required," the report insists.

Among other anxieties shown by the survey is a large and continuing increase in unit costs of production over the past two years.

The dramatic change in home orders is mainly a reflection of reduced investment by the rest of industry, but it has led to a reversal of the engineering industry's own investment plans. A year ago nearly eight out of ten companies surveyed were planning to buy more plant and machinery. By April this year, when the survey was carried out, the figure had fallen to 25 per cent.

The report traces many of the U.K.'s post-war problems to the fact that "we have for many years been spending too much on the current consumption instead of on investment for the future. Until we bring our levels of consumption more into line with those of countries like France and Germany there will not be sufficient resources available for investment on the scale needed."

The continued growth of public

spending also has serious implications for industry, states the EEF. The federation maintains that during the coming months a major effort must be made by the Government, the industry and trade unions to reach agreement on the next phase of the incomes policy.

There should also be a major effort, initiated by the Government but preferably on a tripartite basis, to reach agreement on economic policies which would encourage growth and investment and reduce cyclical fluctuations in demand.

"At the same time, there should be an attempt to reach a consensus between the political parties which will avoid the major reversals of policies affecting industry by successive Governments."

"We cannot repeat too often that unless we can have more consistent and stable economic policies than we have had in the recent past, the private sector of industry will not have the confidence to invest."

The EEF joins those organisations which would like to see the National Economic Development Office, which already provides the machinery for tripartite discussion, used more effectively for the planning of economic policies.

Engineering: The Continuing Uncertainty. EEF £2.50. Editorial comment, Page 14

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No experience required

BY ANTHONY HARRIS

ONE OF the most telling encounters I have ever had to report (skip this paragraph if you know the story) was a meeting at which a very senior Treasury economist explained to a meeting of business economists why Government investment had to be planned five years ahead, as Snowden prescribed. The economist's explanation was so good that the Treasury man didn't even attempt an answer.

opposite of our self-image—a country whose governors are secretive, unpractical, rather glibly, restlessly experimental, and hidebound only in their devotion to outdated institutions, old bottles which we endlessly swirl out with new wine. If you reflect on the virtues and vices of British government—the luminous intelligence of our senior civil servants combined with their profound silliness in practical affairs—you may perhaps conclude, as I do, that they reflect very closely the strengths and weaknesses of the academic mind. C. P. Snow has found in university life a far more vivid model of British public affairs than any overtly political writer, and this is no accident.

Provocative

What brought this encounter back to mind was a rather rambling but very provocative address to the British Association yesterday by Dr. T. Price, who was reporting his thoughts after three years in private industry, following a long civil service career. I have space to reflect only on a few of his observations. They may not individually seem very new—which is hardly a criticism, since our troubles are a good century old, taken together, they are far more suggestive. Let me then set down four, quite badly, and see how they mix.

Dr. Price believes that one cause of our decline is the lack of practical, operational experience among those who run the great economic departments (this, of course, is where we came in). He also accuses the public sector of draining the private sector of intellectual talent. In technology, he says, we have misdirected our effort. And he complains that Government policy, as seen from outside, is both opaque and capricious.

What is unusual about this familiar catalogue of complaints is Dr. Price's insistence that they all connect up. You can connect them up, as Dr. Price does, through a great matrix of cause and effect; but his remarks also suggest a rather different approach—an attempt at self-knowledge. We in Britain like to believe of ourselves that we are pragmatic, distrustful of dogma, and that we are frank and open. Our main fault, if we would admit one, is being a little hidebound—too wedded to old ways.

Most people have delusions about themselves, like the miser who believes that he is over-generous; and Dr. Price's remarks suggest that we are more than usually deluded. The things we do suggest almost the exact

Donnish

British economic management is donnish not only in style, but in cold fact. The economic advisers of our main ministries—and for that matter many of the executives even of such a practical institution as the Bank of England—are recruited mainly from the universities. They are selected, as it were, for intellectual arrogance and practical inexperience. Like dons, they are always looking for a single idea that will break through a mass of problems—a formula for monetary control, for incomes policy, for managing the economy through new taxes, or devaluation, or planning; like dons, they are quick to drop ideas which have been found wanting, and try new ones. Like dons, they are impatient of outside views, because they are cleverer than those with whom they deal.

The remedies which Dr. Price suggests for these shortcomings will not appeal very strongly in Whitehall, because they are not new or particularly clever. He wants the Fulton recommendation that senior civil servants should work spells in the private sector put into practice. He hopes that planning agreements will expose administrative thinking to practical constraints, and create some commitment to consistent policies. He wants business skill brought to spending decisions.

Above all, perhaps, he wants patience and persistence, less faith and more hopeful hard work, a process of learning to make our administrative methods effective. This is perhaps the hardest suggestion to put into practice: dons did their learning years ago; they now research and teach.

SAIL FESTIVAL

Romanian ship accident averted

By Alec Beilby

DURING The early hours of yesterday morning near-destroyed the Romanian training ship, *Mercea*, one of the largest square-rigged ships, as she lay at anchor in the River Mersey, near Tower Bridge off Cherry Garden Pier.

As the tide turned, her mooring lines downstream slackened and her stern swung towards the shore, her keel resting on an old submerged platform. She tilted up to 30 degrees before the flood-tide began to right her.

Yesterday morning the ship was moved upstream through Tower Bridge and berthed alongside the Naval gunnery pier. The Romanian crew then set about putting right the damage, their own divers inspecting the hull for possible damage.

Yesterday was the most strenuous in the week-long programme organised by the Association of Sea Training Organisations, the international body responsible for arranging for so many training ships from around the world to come to London for the Festival.

Crews from almost every ship took part in the heats of the sea boat rowing races in the river, the expertise of the young naval trainees being a marked contrast to the less-serious contests between the many shore-bound branches of the PLA on Wednesday.

Ashore, those not rowing were competing in the inter-ship tug-of-war in the moat of the Tower, preceding the impressive beating retreat by the Royal Marines.

To-day's Events

9 a.m. to noon—Inter-ship tug-of-war competition, heavy-weight division, Tower of London.
9.30 a.m.—Cadet dinghy tide-way race, Putney to Tower of London.
12 noon—One-man Hovercraft race, Vauxhall to Blackfriars circuit.
2.20 p.m.—March to Guildhall by cadets and trainees for prize-giving reception.
2.30 p.m.—Cadet dinghies tide-way race, Tower to Putney.
5.30 p.m.—Royal review of assembled ships in the Upper and Lower Pools of London.
8.30 p.m.—Clipper Race Ball at Royal Naval College, Greenwich.
9.30 p.m.—Gala fireworks display at Greenwich.

TENNIS

Mottram loses to Pasarell

NEW YORK, Aug. 28

THE NIGHTMARE continues for Stan Smith. In the first-ever session of night play at Forest Hills on Wednesday, the man who won the U.S. Open title in 1971 and holds altogether 21 U.S. titles (a total second only to that of the legendary Bill Tilden) lost his opening match 6-4, 6-2 to the tenacious New Zealander, Otony Parun.

In 52 minutes of agony, both mental and physical—Smith is suffering from golfer's elbow—talked Parun needed as the indisputable world champion only three years ago, was quite unable to put his powerful game together for the first time in his career. Parun needed as the indisputable world champion only three years ago, was quite unable to put his powerful game together for the first time in his career.

I doubt if ever before a player of such class who has played titles has lost in the first round at Wimbledon and Forest Hills in the same year. Last June it was the young South African Byron Bertram who swept through the defenses for the loss of only four games and since then he has failed to win a match of note. It will take a Herculean effort of will for this fine, sporting player to restore the gaping hole in his confidence.

The 5,000 spectators who attended this first night session were hugely entertained in the second match when Tom Okker of Holland, hitting his explosive shots like a freerunner, was simply too fast for the talented German, Jürgen Fassbender, who he beat 6-4, 6-3. The score was identical to that of the previous match but there was a gulf of difference in the quality of the performance.

The players seemed to enjoy the cooler conditions of evening tennis under the bright lights and the public has been educated to post-dinner play this new experiment in augmenting tournament income might prove highly successful.

One who did not have the advantage of floodlights was Britain's third-ranked player Buster Mottram. Playing against the ninth-ranked American, Charlie Pasarell, he was halted in mid-stride by the failing light when leading by 3-1 in the deciding set and looking a likely winner.

When they continued at 10.30 a.m. to-day the 20-year-old Briton moved calmly into a winning position by holding two service games that took him to 6-2 and it seemed as if he might repeat his 1974 Wimbledon victory over the Puerto Rican.

But, unaccountably, he teetered on the brink of victory. Serving at 5-2 he fell 15-40 behind, recovered to 30-40 but missed a backhand volley to lose the game. In the next game he had two match points on the

American's serve at 15-40 but lost both—the first with a cross-court forehand that missed by feet and the second with a tentative backhand passing shot that Pasarell leaped at to smite away a winner.

Pasarell added ten more consecutive points to those two and accelerated away to a victory that he had seemed unlikely to achieve. It was as though Mottram, at the moment of achievement, had switched off a failing due partly perhaps to a relative lack of recent match play following an arm injury.

The first of the women's matches brought an inspired display from Evonne Cawley, the beaten finalist here for the past two years. Playing against her regular doubles partner, Peggy Michel, of California, with whom she has won the Wimbledon and Australian titles, Mrs. Cawley produced a series of glorious, flowing winners that gave her a bloodless 6-0, 6-0 victory in barely 30 minutes.

As the other British girls were busy with their opening matches there was news of a new international event. The Nations Cup, an eight-nation trophy on Davis Cup lines, will be held at Kingston, Jamaica, from September 29 to October 5. The event, which is being sponsored by Reynolds Metal, has been organised by the Association of Tennis Professionals as a precursor of a new-look Davis Cup competition.

BY JOHN BARRETT

CRICKET

Australia 28 and heading for a big total

ENGLAND, having lost the toss, spent a frustrating and unrewarding day in the field with McCosker and Ian Chappell, the Australian captain, taking full advantage of a pitch which by scoring good, though not chanceless centuries.

They were assisted by some rather ordinary bowling and the fact that England only held onto one of three catches they were offered.

Underwood was England's best bowler and both Snow and Old had good spells. Unfortunately Edmonds was disappointing and it was difficult to see why an orthodox slow left arm bowler should require five fields on the leg side; and Woolmer hardly measured up to the requirements of a third seamer at Test level.

At stumps Australia had reached 280 for one despite the new ball being taken somewhat belatedly, after 95 overs. Every thing suggests the tourists are well on their way to a massive total and that England will be hard pushed to save the match.

The start, Chappell naturally decided to bat first on what looked a good wicket, with rather more pace than the other Test pitches began with, and the bowlers were not to face the bowling of Old and Snow, Arnold having been omitted.

The new ball bowlers produced the most impressive opening spell. Turner, who was the father of the famous "Puffin" over the talented all-rounder Gilmour, was unhappy. It came as no surprise when Old had him caught at backward short leg off one that dipped in late, with only seven balls to go.

Neither McCosker nor Ian Chappell was comfortable and the latter might have been caught early on at leg slip. After 50 minutes Snow was rested and replaced by Woolmer and at the other end Greg decided to introduce his bowling partner, Edmonds. Although there was still a certain amount of movement to be had for the seamers it was a reasonable experiment.

On the other hand, once it failed to produce the desired breakthrough it was difficult to understand why Old, the most successful of the bowlers, was not reintroduced, and why Greg who has been more successful with the ball this summer than Woolmer, never gave himself an over.

The outcome was that the Australians without undue difficulty cruised to 66 for 1 at lunch



McCosker hits out at a ball from Snow.

with McCosker on 38 and Chappell 23. The runs came with greater freedom and regularity in the afternoon session. McCosker reached his 50 which was emulated shortly afterwards by his captain. After a few overs from over the talented all-rounder Gilmour, was unhappy. It came as no surprise when Old had him caught at backward short leg off one that dipped in late, with only seven balls to go.

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RACING

BY DOMINIC WIGAN

Distance suits Sportsky

LESTER PIGGOTT, who has enjoyed mixed fortunes in France during the past few days, has been secured by Clive Brittain for Sportsky in today's Autumn Maiden Plate (2.6) at Sandown, and with Zaskar a surprise absentee, I shall be disappointed if the combination fails.

Sportsky, a hitherto disappointing Nijinsky three-year-old, who has failed to live up to his juvenile promise, ran much his best race to date this term, when a close third behind Sir Toby and Mount Blessed in the one-mile Monks Stakes at Ripon a fortnight ago.

There, Sportsky, staying on strongly in the final quarter mile under strong driving from Frank Morby, would almost certainly have come out on top had the race been over an additional furlong. To-day's 1½ miles will suit Britain's three-year-old admirably, and I anticipate him opening his account at the main expense of Thornton Green, a 1½ lengths runner-up to Lichen Lady at Newmarket on his last appearance.

A second possible winner for Piggott is Bernard van Cusem's lightly-raced two-year-old Stormy Affair in the highly competitive Orleans Nursery (2.35). However, one I have slightly more regard for here is the unbeaten

praiseworthy performance when defeating Petula by seven lengths on the July course.

Turning to Chester, where racing is scheduled to begin with the Cheshire Toms and Cats Handicap (2.15). It could well pay backers to follow the form and to back the favourite, May Beck, who has been having his leanest campaign for many years to achieve a double here through May Beck and Gliding.

May Beck, a well-made chestnut filly-sister by Welsh Pagan to Lowna, was headed only a hundred yards from home when third behind Louise Valliere and Tourbillon Silver in the six-furlong Oxford Stakes on Newmarket's July course early this month. She will be ideally suited by the sharp five furlongs of the Cornubere Stakes (2.45) and unless there is a smart new-comer in the opposition, I shall be taken by surprise if May Beck is beaten.

On her present outing, this filly may be Derring Do out of that good French beige mare, Sand Fly, put up a particularly

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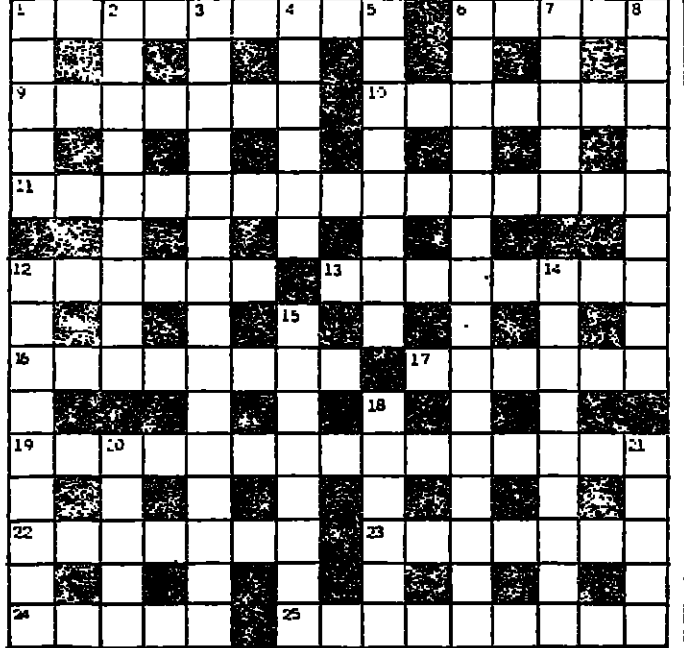
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BBC 1

10.00 a.m. Wacky Races. 10.10 Robinson Crusoe. 10.25 Josie and the Pussycats. 11.25 Crickets: Fourth Test, England v. Australia. 1.30 p.m. Along the Trail. 1.45 News. 1.50 Billdowner. 2.15 Cricket and Rowing: Fourth Test, England v. Australia and World Rowing Championships. 2.30 Regional News (except London). 4.25 Play School. 4.30 Natural Break. 5.00 Scooby Doo. 5.40 Sir Prancelot.

F.T. CROSSWORD PUZZLE No. 2,866



ACROSS
1 Inisbraggy? It's close to the point (8)
6 A loop on the edge makes a peculiar topic (5)
7 The closest are in the brood (7)
10 Last longer but become threadbare (7)
11 Hit back—when shop was raided? (7-8)
12 The sportsman in the paste (6)
13 Go wrong in an explosion (8)
16 Put book of accounts before editor and fished (8)
17 Common parts of eggs and eyes (6)
19 Produced pictures of tours in television (7, 8)
22 With natural simplicity I've a net damaged (7)
23 Wise man goes round the hill for safe-keeping (7)
24 It's a barrier to be shifty (5)
25 I leave this round the ankles but it's not appreciated (8)

DOWN
1 Sounding like what the doctor may prescribe (5)
2 Got a degree divided into regular intervals (8)
3 It's directly opposite and could make mother exert thee (3, 5, 7)
4 Extract with or without legal offence (8)

Wales—6.00-6.25 p.m. Wales Today. 6.25-6.45 Bugs Bunny. 6.45-7.05 Question of Sport. 7.05-7.20 Heddiu. 7.20-7.30 Bod. 11.40 News of Wales. Scotland—6.00-6.20 p.m. Scottish Sports. 11.40-11.42 Scottish News Summary. Northern Ireland—6.25-6.45 p.m. Northern Ireland News. 6.00-6.20 Scene Around Six. 11.40-11.42 Northern Ireland News Headlines. England—6.00-6.20 p.m. News. North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School. 4.30 p.m. Cricket: Fourth Test, England v. Australia. 6.40 World rowing championships. 7.20 News on 2. 7.25 Living on the Land. 8.30 The Year of the Bulldozer. 8.30 Live from the Proms. 9.45 Aqua-Cops. 10.00 Cricket: Fourth Test, England v. Australia. 10.30 The Carnforth Practice. 11.20 News Extra. 11.40 Closedown: Robert Gladwell reads "Conversation" by Louis MacNeice.

LONDON

19.50 a.m. Bertrand Russell Speaks His Mind. 10.05 Wildlife Theatre. 1.30 Feature Film. 12.00 Bush Boy. 1.30 Sally and Jake. 12.40 Mr. Trumble. 1.00 First Report: News, plus FT index. 1.20 Lunch-time To-day. 1.50 The Andy Stewart Show. 2.00 Good Afternoon. 2.25 Racing from Sandown Park. 4.20 Robert's Robots. 4.50 Magpie. 5.20 The Fillins. 5.30 News from ITN. 6.00 London—The Making of a City (part 2). 7.00 Winner Takes All. 7.20 General Hospital.

RADIO 1

6.00 a.m. As Radio 2. 7.00 Paul Brown. 8.00 Tony Scott. 11.00 Noel Edmonds with the Radio 1 Roadshow. 12.00 p.m. Newsbeat. 12.30 Johnnie Walker. 2.00 David Hamilton. 3.00 News. 3.30 Newsbeat. 3.45 Radio 1 Roadshow. 7.00-11.59 a.m. As Radio 2.

RADIO 2

6.00 a.m. News Summary. 6.45 Colin Berry. 7.00-7.15 Paul Brown. 7.15-7.30 Tony Scott. 7.30-7.45 Johnnie Walker. 8.00-8.15 Newsbeat. 8.15-8.30 David Hamilton. 8.30-8.45 News. 8.45-9.00 Newsbeat. 9.00-9.15 Radio 2 Roadshow. 9.15-9.30 News. 9.30-9.45 Newsbeat. 9.45-10.00 David Hamilton. 10.00-10.15 News. 10.15-10.30 Newsbeat. 10.30-10.45 David Hamilton. 10.45-11.00 News. 11.00-11.15 Newsbeat. 11.15-11.30 David Hamilton. 11.30-11.45 News. 11.45-12.00 Newsbeat. 12.00-12.15 David Hamilton. 12.15-12.30 News. 12.30-12.45 Newsbeat. 12.45-1.00 David Hamilton. 1.00-1.15 News. 1.15-1.30 Newsbeat. 1.30-1.45 David Hamilton. 1.45-2.00 News. 2.00-2.15 Newsbeat. 2.15-2.30 David Hamilton. 2.30-2.45 News. 2.45-3.00 Newsbeat. 3.00-3.15 David Hamilton. 3.15-3.30 News. 3.30-3.45 Newsbeat. 3.45-4.00 David Hamilton. 4.00-4.15 News. 4.15-4.30 Newsbeat. 4.30-4.45 David Hamilton. 4.45-5.00 News. 5.00-5.15 Newsbeat. 5.15-5.30 David Hamilton. 5.30-5.45 News. 5.45-6.00 Newsbeat. 6.00-6.15 David Hamilton. 6.15-6.30 News. 6.30-6.45 Newsbeat. 6.45-7.00 David Hamilton. 7.00-7.15 News. 7.15-7.30 Newsbeat. 7.30-7.45 David Hamilton. 7.45-8.00 News. 8.00-8.15 Newsbeat. 8.15-8.30 David Hamilton. 8.30-8.45 News. 8.45-9.00 Newsbeat. 9.00-9.15 David Hamilton. 9.15-9.30 News. 9.30-9.45 Newsbeat. 9.45-10.00 David Hamilton. 10.00-10.15 News. 10.15-10.30 Newsbeat. 10.30-10.45 David Hamilton. 10.45-11.00 News. 11.00-11.15 Newsbeat. 11.15-11.30 David Hamilton. 11.30-11.45 News. 11.45-12.00 Newsbeat. 12.00-12.15 David Hamilton. 12.15-12.30 News. 12.30-12.45 Newsbeat. 12.45-1.00 David Hamilton. 1.00-1.15 News. 1.15-1.30 Newsbeat. 1.30-1.45 David Hamilton. 1.45-2.00 News. 2.00-2.15 Newsbeat. 2.15-2.30 David Hamilton. 2.30-2.45 News. 2.45-3.00 Newsbeat. 3.00-3.15 David Hamilton. 3.15-3.30 News. 3.30-3.45 Newsbeat. 3.45-4.00 David Hamilton. 4.00-4.15 News. 4.15-4.30 Newsbeat. 4.30-4.45 David Hamilton. 4.45-5.00 News. 5.00-5.15 Newsbeat. 5.15-5.30 David Hamilton. 5.30-5.45 News. 5.45-6.00 Newsbeat. 6.00-6.15 David Hamilton. 6.15-6.30 News. 6.30-6.45 Newsbeat. 6.45-7.00 David Hamilton. 7.00-7.15 News. 7.15-7.30 Newsbeat. 7.30-7.45 David Hamilton. 7.45-8.00 News. 8.00-8.15 Newsbeat. 8.15-8.30 David Hamilton. 8.30-8.45 News. 8.45-9.00 Newsbeat. 9.00-9.15 David Hamilton. 9.15-9.30 News. 9.30-9.45 Newsbeat. 9.45-10.00 David Hamilton. 10.00-10.15 News. 10.15-10.30 Newsbeat. 10.30-10.45 David Hamilton. 10.45-11.00 News. 11.00-11.15 Newsbeat. 11.15-11.30 David Hamilton. 11.30-11.45 News. 11.45-12.00 Newsbeat. 12.00-12.15 David Hamilton. 12.15-12.30 News. 12.30-12.45 Newsbeat. 12.45-1.00 David Hamilton. 1.00-1.15 News. 1.15-1.30 Newsbeat. 1.30-1.45 David Hamilton. 1.45-2.00 News. 2.00-2.15 Newsbeat. 2.15-2.30 David Hamilton. 2.30-2.45 News. 2.45-3.00 Newsbeat. 3.00-3.15 David Hamilton. 3.15-3.30 News. 3.30-3.45 Newsbeat. 3.45-4.00 David Hamilton. 4.00-4.15 News. 4.15-4.30 Newsbeat. 4.30-4.45 David Hamilton. 4.45-5.00 News. 5.00-5.15 Newsbeat. 5.15-5.30 David Hamilton. 5.30-5.45 News. 5.45-6.00 Newsbeat. 6.00-6.15 David Hamilton. 6.15-6.30 News. 6.30-6.45 Newsbeat. 6.45-7.00 David Hamilton. 7.00-7.15 News. 7.15-7.30 Newsbeat. 7.30-7.45 David Hamilton. 7.45-8.00 News. 8.00-8.15 Newsbeat. 8.15-8.30 David Hamilton. 8.30-8.45 News. 8.45-9.00 Newsbeat. 9.00-9.15 David Hamilton. 9.15-9.30 News. 9.30-9.45 Newsbeat. 9.45-10.00 David Hamilton. 10.00-10.15 News. 10.15-10.30 Newsbeat. 10.30-

King's Theatre

Hermiston by RONALD CRICHTON

Robin Orr's new opera *Hermiston*, one of the Scottish Opera's policy of commissioning works from composers of Scottish extraction, had its premiere on Wednesday as part of the festival. Orr and his librettist, Bill Bryden, have based the opera on Robert Louis Stevenson's unfinished novel, *Wear of Hermiston*. That tantalising fragment of a book is concerned with a bitter family conflict between a son's father and his father's father, brought to a head by the issue of capital punishment. After a public protest, the son is exiled to the family estate. References to him during the book have had to be ruthlessly condensed for operatic purposes. The early scenes in Edinburgh, with the bewildered boy seeking

from the kindly old Judge Lord Glenamond, the friendship his father will not afford him, as well as the formidable portrait of the Justice-Clerk, Lord Hermiston himself, are reduced or jettisoned. *Hermiston* was founded on a real-life judge, Lord Braxfield, who is said to have shown "contemptuous disdain of all nature's less than his own". Stevenson's judge is a brute with a certain repulsive integrity. In the opera he appears twice, in what are virtually prologue and epilogue, though not described as such. References to him during the book have had to be ruthlessly condensed for operatic purposes. The early scenes in Edinburgh, with the bewildered boy seeking



Michael Langdon and Patricia Kern

Church Hill Theatre

Dimetos

by B. A. YOUNG

Athol Fugard has freed himself from his obsessive concern for the problems of his own people, and the result is a disastrous. His plays have always relied on a ready-made background full of interesting detail that he knows intimately. *Dimetos* has simply been expanded from a vague note in one of Camus's notebooks, with no background indicated more than is suggested by the Greek title of the name. As Mr. Fugard works it, the legend goes like this:

Dimetos, formerly an engineer and still inordinately proud of the capabilities of his hands, has retired to a primitive village where he lives with his housekeeper Sophia and his niece Lydia. A young man from the city comes to him; his genius is needed for the people. During the young man's five-day sojourn, he makes love to and ultimately rapes Lydia, a proceeding which Dimetos secretly watches, for his own gratification. When Lydia discovers she is desecrated, having been taught by Dimetos how to tell when she helps him rescue a horse that has fallen down a well, she hangs herself.

Years later, the three survivors are still discussing the tragedy, their recollections exacerbated by the stink of a stranded dead walrus which equate with Lydia's body, left dangling at the end of its rope. *Dimetos* goes mad, shouting pages of elementary physics at

the empty air and imitating the actions of a fairground juggler to teach his hands to give and to receive at the same time. The author directs his own play, always a bad proceeding. His characters are dressed as if from a poor production of a Greek tragedy, though we know from Dimetos's physics that his inaccurate Latin that we cannot be in the age of Euripides. A good deal of the dialogue is hard to hear, because the stage at this theatre has a his inner stage behind it which is left open and blurs all the words. (I suggest that Douglas Heap, the designer, should drop a backcloth over it.) *Dimetos* himself, played by Carol Trickett, is often almost incomprehensible, for to the acoustic problem he adds an impenetrable Afrikaans accent.

The writing is full of that ambitious but hollow literary quality commonly masked in Mr. Fugard's plays by the power of his themes. "Two bodies, separate," booms Dimetos, "but also mysteriously at one with each other. In some primeval mating. Come on, Mr. Fugard, what does it mean? *Dimetos* is at least clear in his statics and dynamics. No one will contest his great discovery that "When the wind reaches its peak it will start to shake and then it will stop." The other characters are played by Yvonne Bryceland (Sophia), Vanessa Cooke (Lydia) and Wilson Dunster (Danilo, her seducer). It is not their fault that the evening is so tedious.

Duke of York's

Entertaining Mr. Sloane

by MICHAEL COVENEY

It is quite usual for plays in the West End to deteriorate rapidly after either transfer from a subsidised house or major changes of cast. Here is an exception to gloriously disprove the rule. At the Royal Court, Roger Croucher's production of Joe Orton's first major play runs with intervals, well over three hours and boasted only one brilliantly appropriate performance, that of Beryl Reid as the desperately heavy-bosomed and flirtatious Kath. The play now runs shorter by a good half hour. And Miss Reid has been joined by Harry H. Corbett (in place of Ronald Fraser) as her spivish, sexually deviant brother Ed; and by Kenneth Cranham (in place of Malcolm McDowell) as Sloane, the angelic opportunist who plays off the attentions of both before absconding from the scene of his crime with the male contender.

Messrs. Cranham and Corbett are responsible for introducing into the production an essential element of uneasy tension and toying among the three points of the emotional triangle. Each of the participants in this cruel and funny game for the affections of their hero covers his bidding explanatory fantasies and tricks of self-deception. Whereas at Sloane Square a lack of irony in the playing dulled the comic edges, we are now left in no doubt as to the husk-like quality of stilt and excuse erected by Ed and Sloane to com-

Jazz at Camden Lock

This Sunday (August 31) the open air Jazz at Camden Lock Sunday sessions come to an end with the Tony Lee quartet (saxophone), Art Thomas (saxophone), Tony Archer (bass) and Martin Drew (drums). Admission is 50p (children 25p). Starting time is 6 p.m. Wine and real ale are available.

St. Mary's Hall

Simmelweis

By STEWART TROTTER

Simmelweis was a 19th-century Hungarian doctor who insisted that people should wash their hands in chlorine before they delivered babies. He was attacked for his beliefs, went mad under the strain and committed suicide by leaping from a cliff. The disease he'd done so much to prevent. *Simmelweis* is also the name of a novel by Céline—reworked from his medical thesis—and a play adapted from all this by Garry O'Connor, presented by the Oxford Theatre Group.

The trouble with it, I think, is this: too much is on offer and Mr. O'Connor hasn't been able to decide what to do. His entertainment is part biography, part medical lecture, part philosophical debate. Its style swings from high argumentative to low melodramatic and relies heavily on film technique—old film technique at that.

The play is one of those well-known all-like-these flashbacks. We open on a Parisian bar, which is also the consulting room of one Doctor Bardamu, a socially committed GP who likes to be in the thick of it. The play arrives to question him about drugs. The conversation moves on to *Simmelweis*. The lights fade. A student pianist starts up in the wings. And we're off. Bardamu, who seems to have little dramatic purpose, doesn't surface again till the second act. We're left with the career of *Simmelweis*, an interesting, isolated neurotic who clatters up the Hungarian medical ladder

with uncongenial brilliance. Every time he makes a discovery, he makes an enemy, and Mr. O'Connor seems to be implying that the two phenomena are linked. The choice is between a life of integrated popularity and lonely, despised genius. *Simmelweis*, in the end, gives up. He needs friends.

This is pretty commonplace stuff. The play only really rises to intellectual life when the ghost of Viennese physician Klein, the play's embodiment of reactionary piety, accuses *Simmelweis* of heralding a weak, bland, pit-souped age, but this idea isn't developed. It only tends to confuse Mr. O'Connor's glowing account of *Simmelweis*'s life and work.

Jamie Reid copes very well with the central role. Nigel Bryant, less so with the production. Real water comes from a watering can at one moment, at another we are asked to believe that a rolled-up blanket is a baby. But the confusion of styles is not entirely the fault of the director.

Architecture exhibition

In an effort to increase the creative element in British architecture the Society for Architecture is holding an exhibition at the Royal Albert Hall, from September 18. The exhibition is mainly concentrated on photographs of masterpieces of British architecture, linked by quotations from Sir Christopher Wren.

Albert Hall/Radio 3

Kempe

by MAX LOPPERT

Kempe, shortly to assume the chief conductor's post of the BBC Symphony, led the orchestra on Wednesday in a front row of Beethoven, Haydn and Schubert. The first half of the concert was rhythmically flabby. Leonard Slatkin, followed by a sagging, spiritless Sinfonia Concertante with soloists drawn from the orchestra, was a cloud of (less pertinent) notes on the fugue of this conductor's limitations outside the confines of the Romantic 19th century. After the interval, Schubert's *Alte Mass*, with the BBC Singers, was so tenderly and melliflously shaped that the slate was again clean.

The Masses receiving its first-ever performance. Can the semi-obscure implies really have been the fate of such marvellous music, whose dominant tenor of consolation can yet embrace poignant and sharp emotions, whose melodic focus, never declines into the bubbling inconsequence of the earlier masses? In Kempe's view, the answer is yes. The consoling warmth outweighs the importance of the Masses. Those climbing sequences, shifting in strange, gummy harmonies—a little like Gounod in Viennese clothing—were kept in perspective, rather than given excited close attention. Voices massed against the contrast of brass and wood sounded sonorous rather than startling. Everywhere lasting tone, never strident or forced, appeared the conductor's aim, linking and welding the movements.

Dench, Elliott and McKellen return to RSC

Judi Dench, Denholm Elliott and Ian McKellen return to the Royal Shakespeare Company to play leading roles at the Aldwych Theatre this winter. Denholm Elliott, who was last with the RSC in 1960, will play the title role in Graham Greene's new play, *The Return of A. J. Royle*. Judi Dench will play *Deceit* and Ian McKellen will play *Leaving Home*. *Too True to Good* by Bernard Shaw (at the Aldwych from October 21). *Too True to Good* will be directed by Clifford Williams and *The Return of A. J. Royle* by David Jones.

Cinema

Faith and works

by NIGEL ANDREWS

Lancelot of the Lake (A)
Paris-Pullman from September 3
Marjoe (AA)
Screen on Islington Green

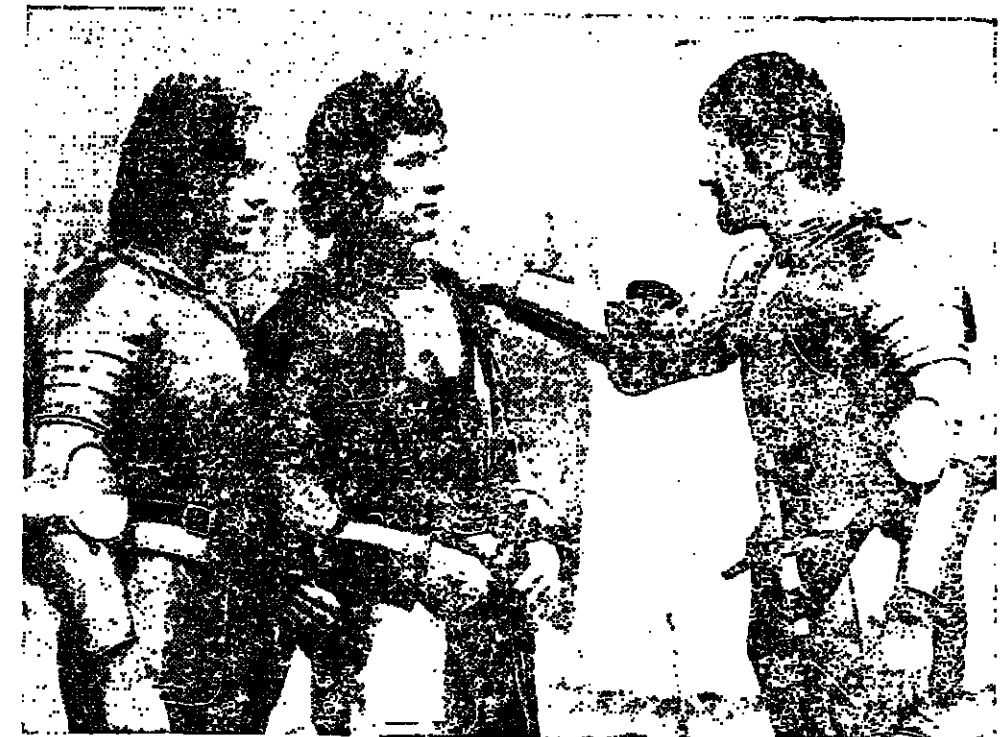
Originality in the cinema takes strange and diverse forms. The popular idea of an "avant-garde" film is the kind of movie—beloved in underground circles—that throws out traditional ideas of story, composition, structure, etc., and uses the camera as a wayward, esoteric, highly personal sketch-pad.

But there is another kind of avant-garde cinema: the kind whose originality lies in an audaciously stylised and hermetic use of traditional forms. Such is the cinema of French film-maker Robert Bresson: a director whose speciality has been in adapting traditional material to the cinema—novels, plays, legends—with an almost ascetic fidelity and formalism.

When it was first shown at Cannes—as part of last year's Director's Fortnight—his latest film, *Lancelot of the Lake*, created something of a furor: provoking scorn, indignation and mirth in about equal proportions, and not having its impact softened by a noisy and interrupted screening. Bresson's films seldom get a smooth passage through from critical vanishing spiritual grace—but he has been able to find the money camera, with cheerfully un-

Not having been present at that screening, I caught up with the film last year at Locarno, and found it instantly spellbinding. Bresson's film is an account of the last days of the Knights of the Round Table: the quarrels, the doubts, the sorrows, the petty strifes and jealousies that followed upon the knights' return from their failed quest for the Holy Grail. An evening Lancelot (Luc Simon) cannot reconcile his love for Guinevere (Laura Duke Condominas) with his cherished code of honour. The Gawain (Humbert Balsan) is a bare mechanics of ritual. But the director had not this time lost his nerve: he has a poetic effect, his king, Arthur (Vladimir Antolek-Oresk) is a dissonant of the armour-plated world of chanted monarch who now holds sway only over a divided and half-empty kingdom.

It is a film about an era of transition; and the much-derided repetitiveness of Bresson's imagery—the clanking armour, the neighing horses, the solemnly archaic dialogue—serves more than anything as a metaphor for an age that is stifling into obsolescence. Bresson has been here before, of course—to the



Humbert Balsan, Luc Simon and Vladimir Antolek-Oresk in 'Lancelot of the Lake'

country of lost dreams and mother! and only recently has he been able to find the money camera, with cheerfully un-

The film is an eye-opener for those whose only previous experience of American revivalist meetings have been the watered-down versions provided over here by Billy Graham. By comparison with Marjoe's verbal histrionics, Graham appears the voice of sweet reason. Nor are the excesses of Marjoe's act confined to what he has to say. The laying on of hands that climaxes his moves takes the form of a virtual physical assault. "Thank you, Jesus" of three, performed marriage services at the age of four, and then went the rounds of the American floor. Culturally, the film shows us, is a frightening thing: ecclesiastical version of Shirley Temple.

Howard Smith and Sarah Kerr, in a double bill here at the 1975 London Film Festival—is a portrait of Marjoe as he is to-day. Or rather as he was four years ago, when the film was made: a personable, charming young man in his mid-twenties found me in *absentia* due to who has returned to his lucrative-Bank Holiday commitments. It comes with good reports, however, from his brief London California hippy culture. A wolf release a month or two back, in lost sheep's clothing, he is and it shows. Marjoe once seen alternately kindling his more in good light as London's audiences with hell-fire sermons resident saviour of neglected and emperied visions of re-American features.

Midland Bank will be taking care of business at the Brno International Engineering Fair.



Mr. G. B. Grattan-Guinness
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As we are a participant in European Banks International (EBIC), composed of 7 great independent European Banks, you'd expect us to be there for an event of such importance.

Bryan Grattan-Guinness, our Group representative from Frankfurt, will be there from September 11-16th to help ensure your trip is a profitable one. There will also be an EBIC representative on hand for the entire Fair.

If the occasion arises where you think you could use a little advice, talk to either of them. They can be contacted at the Fair at EBIC House, FRH 5.

And if you have any questions on overseas trading that you'd like answered now, contact Midland Bank's Panel for Overseas Trade Development in London 01-606 9944.

Midland Bank International

Midland Bank Limited International Division, 60 Gracechurch Street, London EC3P 3BN.



WORLD TRADE NEWS

Indian plea on oil price rise

By K. K. Sharma

NEW DELHI, August 28. INDIA'S Petroleum and Chemicals Minister, Mr. K. D. Malviya, has appealed to the oil-producing OPEC countries to consider "very seriously" the consequences for developing countries of a predicted further increase in the price of crude.

Last year India paid about Rs12.5bn for imported crude and a further rise of \$2 per barrel would mean a crippling additional burden of Rs2.5bn.

Speaking to a Parliamentary committee, Mr. Malviya said efforts were being made to increase production indigenously and India was expected to produce just over 11m tonnes, or 45 per cent, of requirements, within the next couple of years. This is in contrast to the current annual production of 7.5m tonnes which meets only a third of the country's requirements.

India's Oil and Natural Gas Commission expects to produce 2m tonnes annually from next year from the offshore "Bombay High" region, and Mr. Malviya said that other offshore areas as well as onshore tracts in several parts of India were being explored.

Japan boosts raw material import credits

TOKYO, August 28. JAPAN'S Government-owned Export-Import Bank has been authorised to extend \$25bn in special credits to Japanese importers wishing to purchase certain raw materials from Asian countries, the Ministry of International Trade and Industry (MITI) said today.

The funds, which will be available from September, will carry an 8 per cent rate of interest and will be repayable in one year.

The Ex-Im Bank credits, to be supplemented by \$14.6bn in commercial bank financing at about a 10 per cent rate of interest, were authorised for purchases of copper ore, bauxite, nickel, molybdenum, tungsten, lead, zinc and pulp wood. Tin was not included in the list because it is covered by an international agreement, MITI said.

The special financing was decided upon following complaints that a slump in Japanese imports, a product of the country's prolonged recession, was seriously aggravating the economies of less developed countries in the Asian region, AP-DJ.

Australia chooses BAC missile system

CANBERRA, August 28.

THE AUSTRALIAN Army is to be equipped with British Rapier fire control systems for Australia's fleet of six British Oberon missile submarines, a new Australian Defence Minister Mr. William Morrison, has announced today.

He told Parliament a Leopard tank, another 34 German Leopard tanks to add to the 53 Rapier, built by the British Aircraft Corporation, was being ordered to update Australia's air defence capability, which is still based on the World War Two Bofors gun.

"The choice of an air defence missile system for the Army has been a lengthy and arduous process, but I am now satisfied that the selection of Rapier is right in the Australian context," Mr. Morrison said. "Rapier is operational, is highly mobile and can readily be transported in Hercules and Caribou aircraft. Trials have indicated that it is a highly effective system."

Other armed forces re-equipment projects announced by Defence Minister include a 6,000-ton transport ship for the Navy

Swiss tourism in decline

BY JOHN WICKS

ZURICH, August 28

IN THE FIRST half of 1975 total hotel bed-nights in Switzerland fell off by some 3 per cent on the corresponding period of last year to 14.89m, due to 2 per cent fewer occupancies by foreign visitors and a 5 per cent drop in bookings by Swiss residents.

The Swiss statistical bureau says the decline, in view of the recession and the disadvantageous exchange rate, the fall in foreign bed-nights has been "surprisingly small". The major reason for the drop in domestic bed-nights is said to have been the marked fall-off in business travel.

Two areas of the country—Central Switzerland and the Ticino—recorded higher bed-nights, 4.5 and 3 per cent up respectively, for the six-month period. Occupancies dropped in other regions, particularly on the Lake of Geneva, down 6 per cent, in the midland lowlands, down 7 per cent, and in the Jura region with a 9 per cent fall.

Opel unveils changes

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

NEW VERSIONS of Opel's Ascona and Manta range of cars, first launched in 1970, are to go on sale in Germany today. Right-hand drive models for the U.K. market will follow before the end of the year.

Both cars have had steady sales in European markets over the last five years, with production of the Ascona now total 700,000 and of the Manta 500,000. However, sales of both range badly last year as German companies shed labour and cut back production by a third in a successful effort to remain in profit. Ascona production fell from 192,000 in 1973 to 106,000, and the Manta from 127,000 to 48,000.

The revamp gives each car a noticeably new look, with more passenger space (2 inches more for rear-seat passengers) and a longer and wider body.

The body shell has been revised from the floor up, giving 20 per cent more window area, and the suspension has also been substantially changed. However, the transmission and engine range (1.2, 1.6 and 1.9 litres) are retained from the old models.

Although sales of Opel cars have increased in Germany this year, it has lost market share to Volkswagen in a generally rising market.

NOTICE OF REDEMPTION

Occidental Overseas Capital Corporation

8 1/4% Guaranteed Sinking Fund Debentures due October 1, 1975

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of October 1, 1970 between Occidental Overseas Capital Corporation, Occidental Petroleum Corporation, Guarantor, and The Chase Manhattan Bank (National Association), Fiscal Agent, \$638,000 in aggregate principal amount of the above-captioned Debentures will be redeemed for the sinking fund on October 1, 1975 at the redemption price of 100% of the principal amount thereof, together with accrued interest to October 1, 1975.

The numbers of the Debentures to be redeemed are as follows:

14	1444	2386	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
19	1455	2428	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
24	1466	2439	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
29	1477	2450	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
34	1488	2461	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
39	1499	2472	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
44	1510	2483	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
49	1521	2494	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
54	1532	2505	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
59	1543	2516	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
64	1554	2527	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
69	1565	2538	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
74	1576	2549	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
79	1587	2560	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
84	1598	2571	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
89	1609	2582	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
94	1620	2593	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
99	1631	2604	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
104	1642	2615	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
109	1653	2626	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
114	1664	2637	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
119	1675	2648	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
124	1686	2659	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
129	1697	2670	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
134	1708	2681	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
139	1719	2692	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
144	1730	2703	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
149	1741	2714	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
154	1752	2725	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
159	1763	2736	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
164	1774	2747	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
169	1785	2758	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
174	1796	2769	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
179	1807	2780	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
184	1818	2791	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
189	1829	2802	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
194	1840	2813	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
199	1851	2824	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
204	1862	2835	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
209	1873	2846	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
214	1884	2857	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
219	1895	2868	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
224	1906	2879	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
229	1917	2890	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
234	1928	2901	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
239	1939	2912	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
244	1950	2923	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
249	1961	2934	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
254	1972	2945	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
259	1983	2956	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
264	1994	2967	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
269	2005	2978	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
274	2016	2989	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
279	2027	3000	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
284	2038	3011	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
289	2049	3022	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
294	2060	3033	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
299	2071	3044	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
304	2082	3055	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
309	2093	3066	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
314	2104	3077	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
319	2115	3088	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
324	2126	3099	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
329	2137	3110	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	18488
334	2148	3121	4140	5443	6501	7545	8576	10158	11309	12829	13710	14671	15805	16816	

EUROPEAN NEWS

Lisbon triumvirate in talks marathon to defuse crisis

BY JANE BURGESS

LISBON, August 28.

AS PORTUGAL'S three ruling generals continued to meet in conference with the three chiefs of staff of the armed forces—barely interrupted for a few hours' sleep since midnight last night—expectation of a move to defuse the political crisis here grew hourly.

However, a final solution to the deadlock between rival factions of the Armed Forces Movement (AFM)—the pro-Communists, the Copcon security forces and the supporters of the nine dissenting AFM leaders—under former foreign minister Major Melo Antunes—seemed as far away as ever.

Unrest in military units throughout the country has reached such a pitch that any attempt categorically to dismiss both Communist-sympathising Prime Minister General Vasco Gonçalves and his fifth provisional government, and fulfil all the demands of the dissenting Nine is considered by President Costa Gomes an unacceptable risk, possibly one that would lead towards civil war, high political costs and so on.

The President also feels he must satisfy at least some of the Nine's demands, since their supporters might be ready to take up arms.

The President is therefore trying to tempt the Nine into a compromise, involving replacement of the Prime Minister—but

not of the Government—and his promotion to the post of Chief of Staff of the armed forces.

However, this plan, the moderates claim, carries too many risks. General Gonçalves said in an interview published yesterday that there was no room for a Western-style democracy in Portugal. He said the country was a democracy, but it was a democracy of the people, not of the bourgeoisie.

He told the French newspaper *Le Monde* that "after 50 years of Fascism with its own brand of capitalism, any attempt to establish a Western democratic system in the country would inevitably lead to the bourgeoisie to use greater repression against the workers."

He accused the Portuguese Socialist Party leadership of launching "an offensive by the country's most reactionary forces." However, he said, "don't get me wrong, we must not mix the party's rear and file with its leadership."

He also said the "safety catches" of having two moderates as chiefs of staff of navy and army beneath him—General Carlos Fabris for the army and Admiral Pinheiro de Azevedo for the navy, both mooted as possible prime ministers after General Gonçalves' departure.

The Nine also feel if they back

down again and once more agree to bid their time, President Costa Gomes' bargaining position with the opposite factions can only weaken in proportion to his lack of determination to force through the programme of the Nine.

The President's position appeared to misfire today, forced by the uncertainty of the night's reception given him by thousands of Communist and extreme-Left demonstrators. In marked contrast to a trade union rally outside the presidential palace a month ago, when the predominantly Communist crowd shouted support for the ruling triumvirate, last night they yelled only for General Gonçalves, while the President stood quietly by. Later he was booed and spurred into a petulant last-minute declaration that "nobody wants socialism."

Sources close to the President, however, continue to feel he is the only military figure able to continue negotiating with all three rival AFM factions. The bid by the Prime Minister at last night's rally to draw the Copcon group under his wing by referring in flattering terms to its document has failed to convince anti-Communists among the Copcon commanders who drew up the programme.

Spain cracks down on Press

BY ROGER MATTHEWS

MADRID, August 28.

AN IMMEDIATE clampdown on the Spanish Press has followed yesterday's introduction of a new anti-terrorist law, while in the Basque country thousands of workers staged scattered strikes this morning in protest against the court martial of two ETA members who face the death penalty if convicted of killing a police officer.

Four of Spain's top-selling news and economic magazines were seized last night and this morning as they were being printed. No specific reason was given other than their contents were considered to infringe the new law.

Official sources said that no more than 21 companies in the

province of Vizcaya and around 80 in Guipuzcoa had been hit by the protest strikes this morning, although in the Basque country the figures considerably higher. Leaflets calling for a general strike in the two provinces have been circulating for several days. An estimated 500 political prisoners have also gone on hunger strike.

The court martial of the two Basques, Sen. Jose Antonio Gardemdia and Sen. Angel Otegui Echevarria, is expected to end late today and the verdict is expected before midnight. Tight security was in operation around the court, which was being held in a barracks out-

side Burgos, and Press coverage limited to national and international news agencies.

Eyewitnesses in court reported that Sen. Gardemdia appeared dazed and did not seem to be taking much interest in the proceedings. During his trial he denied in the head by police, and his lawyer said he is unfit to plead.

Sen. Otegui faces the death penalty for allegedly having sheltered Sen. Gardemdia before the killing. This morning he admitted to being a member of ETA, but he was still in his house. He added that he had never handled a firearm in his life.

Bonn spending accord sought

BY JONATHAN CARR

BONN, August 28.

WITH THE passage of a programme to help boost the economy behind them, the West German Government coalition partners today sought to reach accord on the divisive issue of cuts in public expenditure.

Both the Social Democrats (SPD) and Liberal Free Democrats (FDP) require that the Government take effective action here would have serious political as well as economic consequences. Nonetheless, a gulf continues to separate the two over what is realisable, with the FDP so far demanding savings substantially higher than the SPD feels can be carried through.

The resulting friction has given rise to speculation about the future of the coalition itself and this has elicited an unusual statement from Chancellor Helmut Schmidt (SPD) and Vice-Chancellor Hans Dietrich Genscher (FDP) today to the effect that the cabinet discussions are proceeding in a co-operative atmosphere and with agreed aims.

The problem facing the cabinet as it discusses the 1976 Budget and middle-term finance planning is as follows.

In the size of the budget against 1974 of more than 16 per cent. deficit alone of some DM38bn. This is due to a shortfall in tax because of recession and extra expenditure for, among other things, unemployment benefits.

The next year, initial budget proposals envisage a nominal increase of between six and seven per cent—itsself meaning extensive sacrifices by most ministries. Yet even with this modest rate of increase, the Government must still expect a 1976 deficit about the size of the one this year.

In 1975, Bonn has been covering its deficit by borrowing. But next year—when there is expected to be at least some economic growth—it would coincide with a private sector trying to take up credit, too. The upshot would be a rise in interest rates and probably the undoing of the good the Government has tried to accomplish with the DM5.75bn. programme for an economic upswing which it has just approved. Leaving that aside, there are constitutional reasons which would make continuing borrowing by the Government next year on a large scale very difficult indeed.

One way out would be to increase taxes. But in a general election year this is seen by many in the coalition as political suicide. And in any case, the FDP has been trying with the idea of tax advantages, to improve profits and increase the propensity to invest.

With both these avenues apparently closed, the coalition is thus faced with the need to make savings—not just the odd cut here and there, but really extensive measures which will markedly reduce the deficit problem.

Yet these savings are bound to affect areas of past social reforms with which the SPD in particular has been identified. Through all this the reaction of the Opposition Christian Democrats (CDU) has been somewhat muted—for clear tactical reasons. It has no wish to drive the FDP further into the arms of its present coalition partner.

In an interview published today, Dr. Gerhard Stoltenberg, a CDU Vice-Chairman, noted with pleasure that the FDP was now advocating a policy long urged by the CDU. But he expressed doubt whether the FDP would back up its words with actions.

Swiss may mediate on Selassie 'fortune'

By John Wicks

ZURICH, August 28.

SWITZERLAND HAS said that it is prepared to mediate between the Ethiopian Government and the Swiss banks in an effort to persuade the banks to divulge the whereabouts of ex-Empress Haile Selassie's fortune. The Government said yesterday that it was ready to help Ethiopia in any way as far as was possible.

The Foreign Ministry does not know whether any Ethiopian delegation might come to Switzerland to investigate the question of Haile Selassie's fortune, but it is believed that the Ethiopians had intended to send a delegation late last year. Nothing came of it, however.

It appears that the Swiss Government was prepared at that time to grant its limited good offices to Ethiopia. Bank of Africa, however, the Swiss Foreign Ministry was then intending to co-operate with the Swiss Bankers Association in Basel to find suitable discussion partners for the Ethiopians.

But it is difficult to see how Haile Selassie's funds could be located unless the bank or banks involved actually volunteered information.

The matter is complicated by the fact that Haile Selassie does not appear to have signed any document empowering the Ethiopian Government or members of the royal family to have access to the money. Dr. Anzeiger stated today that there were reports that the military administration possessed such a document last October, but that this was never seen by Swiss representatives.

The same paper says that the ex-Empress's will may also be in a Swiss bank vault. It is the first time that the Swiss Government has offered to mediate, even though on a very limited basis, in a case of this kind. But there are indications that the Government would have been prepared to do so in other recent cases involving high-ranking personalities and allegedly national funds.

The question of numbered bank accounts around the world is already the subject of serious discussion in Switzerland and could grow into a major issue if an Ethiopian delegation is sent to the local, or even take over the former Emperor's fortune.

Our Foreign Staff adds: The actual amount that the ex-Empress is believed to have held in Swiss banks is a matter of wide speculation. The Ethiopian Government has said that it believes the Emperor's total fortune outside the country was worth about 100 million Swiss francs at the time of his deposition last September, but this must be regarded as wildly improbable. It has been calculated that this is about 30 times the total national income of Ethiopia during the 58 years of Haile Selassie's rule.

Estimates of Haile Selassie's wealth are usually based on the by no means certain assumption that for about 30 years he took almost the whole output of Ethiopia's only gold mine, in which the royal family held a monopoly. According to the estimate of its output that one accepts, its value has been put at between \$36m. and \$100m.

Our Addis Ababa Correspondent says that the ex-Empress Haile Selassie was buried yesterday afternoon a few hours after he was found dead in the Menelik Palace. A one-line statement by the Government gave no details of the burial place or whether there had been a ceremony. The Government-controlled news media has had very little to say about the ex-Empress since the news of his death.

THE BELGRADE-BUCHAREST AXIS

Keeping Moscow at bay

BY PAUL LENDVAI, VIENNA CORRESPONDENT

THREE PRO-SOVIET conspiracies have become known in Yugoslavia this year, the third last week when it was announced that six people had been arrested on suspicion of having spread hostile propaganda. One of them is a man known to have Russian sympathies. It would be unwise to exaggerate the significance of these affairs, but they do underline the continued danger of Soviet-sponsored subversion in Yugoslavia.

A similar spectre haunts neighbouring Romania. The Romanians, who for over a decade have resisted Soviet attempts to push through supranational integration projects in the Warsaw Pact and Comecon, know that the Soviet leadership has not reconciled itself to their flamboyant independence.

It is against this background that recent unconfirmed but also unconfirmed reports about Yugoslav and Romanian interest in buying arms from the U.S. must be seen. This is not to say that either Belgrade or Bucharest currently faces the threat of force, expressly repudiated by the signatories of the Helsinki declaration. Marshal Tito and President Ceausescu are keenly aware, however, of the Russians' long-term ambitions to recoup political losses in the Balkans.

Profound mistrust of Soviet intentions was of course a reason why Belgrade and Bucharest were pleased to receive President Ford immediately after the Helsinki conference which ratified the European status quo, and with it the Soviet hegemony over Eastern Europe. During the Ford visit, Mr. Ceausescu sounded more like a Third World statesman than the leader of a Warsaw Pact State. Romania has asked for and received observer status in the group of non-aligned nations.

The Romanian chief of staff and deputy defence minister, General Ion Coman, during his visit to Washington last March is reported to have raised the

possibility of purchasing modern weapons, including F-5 jet fighters. Yugoslavia has also expressed interest in buying planes and advanced electronic defence systems, including ground-to-air missiles from the U.S. But such interest is not entirely new. Yugoslavia received \$700m. worth of American military aid between 1949-57 and purchased weapons and spare parts in the

Meanwhile Romania and Yugoslavia have already achieved the first tangible successes in the search for sound defence alternatives of their own. On April 15 they announced that Yugoslav and Romanian experts had designed and manufactured a prototype fighter aircraft which had been flown the same day in the presence of the Yugoslav Minister of Defence.

"Profound mistrust of Soviet intentions was of course a reason why Belgrade and Bucharest were pleased to receive President Ford after the Helsinki conference."

United States in the early 1960s, until growing criticism in the U.S. Congress and the rapprochement with Moscow made the Soviet Union the primary source of sophisticated and heavy military hardware.

Yet, at the same time anything that reduces Yugoslavia and Romania dependence on Soviet arms would be a substantive element in detente and security in the Balkans. The paradox of a situation in which their only foreign supplier of arms is the same super-power which more than once intervened with force in Central Europe "to save Socialism" and is able to make similar moves against them, is not lost on either the Romanians or Yugoslavs.

The Yugoslav and Romanian quest for arms has already taken them beyond the U.S. as a potential supplier. Back in the 1960s Mr. Ceausescu is believed to have put a request to France which was turned down in those pre-detente days. More recently both countries are understood to have approached Britain for arms. The exchange of top level defence figures between Britain and Yugoslavia this year and Mr. Roy Mason's visit to Bucharest have all provided occasions for talk of arms supplies. Whether Western country feels the time is now ripe for arms sales to a Warsaw Pact state remains to be seen.

General Ljubice, "The Eagle," as the prototype is called, was described by a Tancig commentator as "proof of the high standards of the two countries' potential in technology and other areas."

President Ceausescu later spoke out in favour of the "earliest possible" start of series production.

Both countries are seeking a high degree of self reliance in defence. The Zagreb weekly, *Vjesnik*, a Srijed, claimed in June that Yugoslavia could now produce 90 per cent. of its defence needs. The Romanians, who have encountered difficulties in obtaining spare parts and weapons from their fraternal Soviet ally, are making an all-out effort to develop an arms industry of their own. The size of this effort can be gauged from the fact that Romania has by far the highest investment rate measured as a percentage of national income in Eastern Europe.

A concerted approach to arms procurement would fit into the increasingly close co-operation between the two countries. Romanian relations in recent years—the "Belgrade-Bucharest axis" as some call it. So far the main fruits have been in political and economic domains. Notable has been the two countries' united resistance to Soviet attempts to use the projected conference of

European communists as a platform to attack China. In return Peking no longer restricts Romanian revisionism but grants Romania the "blackmail and pressure" of the Soviet Union. Neither Ceausescu nor Tito, however, have any illusions about China's or America's for their mutual ability to protect their countries' independence.

The two neighbours' co-operation is based on a network of extremely close and frequent personal contacts at all levels of decision-making. Thus, Marshal Tito and President Ceausescu met 12 times in the past 10 years. The genuine power and patronage system jointly built and completed at the Iron Gates on the Danube with a capacity of 11bn. kWh per annum, is a visible symbol of successful economic collaboration. Between 1954 and 1974, bilateral trade increased fourfold to a total of \$270m.

Certainly, Mr. Ceausescu knows that with a common frontier of 530 miles across the wide expanses of Moldavia and Bessarabia, Romania will never be able to protect its independence by military means alone against a Soviet attack. But, recently in an informal conversation with a foreign visitor about the 1968 Czechoslovak tragedy, he firmly stated: "Why did Dubcek and his associates succumb to the Moscow communists after the invasion? One should never capitulate."

Similar views are held by the Yugoslav leadership. Both have embarked on an active policy to promote "a just and equitable international order" (as formulated in the U.S.-Romanian communiqué) in which direct Soviet political or military pressures on either country could not be exerted without the risk of reviving the "Cold War" and the gamble on an intervention with force would almost certainly provoke a world crisis. Therein lies the long-term significance of closer relations between the "Belgrade-Bucharest axis" and the U.S. but not to the point of provoking Soviet military action.

Corsica administrators replaced

PARIS, August 28.

THE FRENCH Government late tonight replaced its two top representatives in Corsica with senior civil servants of Corsican origin.

The shooting broke out in central Bastia after police charged demonstrators protesting at the French Cabinet's decision to limit the Corsican separatist organisation, Action for the Renaissance of Corsica (ARC).

The violent new campaign to win regional autonomy for Corsica began a week ago with the occupation of a wine depot in the eastern part of the island by a 50-man ARC commando unit. The leader of the unit, Dr. Edmond Simeoni, surrendered to police after they stormed the stronghold—two of their men being killed in the process.

Dr. Simeoni was today charged by a State Security court magistrate in Paris with leading an armed group against the authority of the State, illegal arrests, kidnapping and attempted murder of policemen in the course of their duty.

People were arrested and a large quantity of arms uncovered. Weapons used by ARC members in the past included Winchester rifles, pistols and shotguns, police said.

There was no official word on the number of rioters hurt, but at least one was reported badly injured. Witnesses also reported seeing a photographer being violently grabbed by riot police in the confusion, and journalists on the spot complained to the authorities.

In Paris, President Valéry Giscard d'Estaing conferred with Prime Minister Jacques Chirac and Interior Minister Michel Poniatowski on the new trouble. M. Poniatowski was in telephone contact with Bastia throughout the night, and issued a stern warning today that the Government was determined that the Bastia gunmen should be hunted down and punished.

According to a police union spokesman, he promised to send in France's militia-like "mobile force," or even police paratroopers, in the event of a new siege.

It was three-quarters of an hour before police received permission to shoot back, by which time three policemen were seriously injured. The man who died was hit in the face with a shotgun blast, police said.

Big police reinforcements poured into Bastia this morning as the centre of the town was sealed off in the hour for the gunmen. Officials said six

people were arrested and a large quantity of arms uncovered. Weapons used by ARC members in the past included Winchester rifles, pistols and shotguns, police said.

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Swiss to buy Northrop jets

BY JOHN WICKS

ZURICH, August 28.

THE SWISS Government has decided to buy from Northrop in the U.S. 72 F-5 Tiger aircraft for a large-scale air force re-equipment programme. The Federal Council today announced that it will call on Parliament to grant a credit sum of Sw.Frs.1,170m. (about £210m.) for the purchase, with the possibility of a subsequent Sw.Frs.160m. to make up for inflation.

Parliament is expected to handle the matter early next year. If, as the Defence Ministry hopes, an order can be placed by April 1, 1976, the aircraft would be delivered between early 1979 and the spring of 1981.

The decision of the Government in favour of the Tiger follows evaluation work going back as far as 1966. In 1973 the Government postponed the programme until further notice in spite of the Defence Ministry's express recommendation that the Corsair model be bought. As an interim measure, orders were placed with Hawker Siddeley for a number of refurbished Hunter aircraft.

The approval at this stage of the Northrop plane, which had already become the sole short-

listed model, was preceded by lengthy negotiations aimed at yielding an advantage for the Swiss economy in connection with the purchase. The Swiss succeeded in striking an agreement with the U.S. that orders will be placed by the U.S. equal in value to at least 30 per cent. of the purchase sum. At the same time, it is foreseen that 53 of the 72 planes will be assembled in the Swiss federal aircraft works at Emmen, near Lucerne.

The order comprises 66 single-seater and six twin-seater Tiger fighters, according to the Defence Ministry in Bern.

Danes plan £400m. reflation

BY HILARY BARNES

COPENHAGEN, August 28.

A REDUCTION of 51 per cent. in value added tax for six months from September 29 was proposed today by the Social Democratic minority Government. This is the main measure in a Kr.5bn. (£400m.) package intended to boost the economy.

The other measures include the immediate repayment of Kr.1bn. in compulsory savings made by the public in the autumn of last year, Kr.700m. to be spent in supporting the business sector, especially the export industry, and Kr.700m. in new public sector investment projects.

The VAT reduction will not apply to motor vehicles, an exception taken to prevent a sudden boom in car imports. VAT is now levied at 15 per cent.

The proposals were made at a Press conference today as new unemployment figures showed a rise to 8.6 per cent., or 111,000, at the beginning of this month. The Government said the measures should bring unemployment down by about 8,000. The balance of payments would involve a foreign exchange loss of about Kr.1.5bn.

The proposals will be placed before the Folketing (Parliament) in a special session beginning on September 8. It is as yet uncertain whether the Government will be able to obtain a majority, which requires the support of three or four other parties. The coming week is expected to bring a series of

tough negotiations, in which the Right-Wing Opposition parties will be pressing for a long-term incomes policy as their price for supporting the Government.

TURKISH LIRA DEVALUED

By Metin Manir

ANKARA, August 28. TURKEY today decreased the value of the lira against the U.S. dollar, by 1.72 per cent., for the third time in less than two months.

The dollar, which was worth 14 lira before the three adjustments, is now worth 14.75 lira, a cumulative increase of 5.3 per cent.

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QUARTERLY REPORT

ESTIMATED OPERATING AND FINANCIAL RESULTS

	Quarter ended 30.6.75	Quarter ended 30.6.74	Year ended 31.3.75
PRODUCTION (Tonnes)			
Copper	94,710	94,456	408,666
Lead and Zinc	15,991	20,386	79,506
SALES (Tonnes)			
Copper	116,360	90,553	396,160
Lead and Zinc	11,162	18,151	75,930
Average proceeds per tonne	K 802	K 1,595	K 1,087
Sales revenue—all metals	100.2	155.5	479.4
Cost of sales	106.4	73.7	339.8
	(6.4)	81.8	139.6
Share of profits less losses of associated companies	2	2	8
Interest payable, less receivable and other income	(2.2)	(0.8)	(3.6)
Taxation			
	8.1	54.1	78.0
Profit after taxation	(8.5)	27.1	58.8
Extraordinary item	—	—	(0.3)
Unappropriated profit brought forward	12.3	7.8	7.8
	3.8	34.9	66.3
APPROPRIATIONS:			
Capital expenditure	—	12.0	39.6
Reassignment of currencies	—	—	(2.7)
Preference shares—redemption and dividends	—	0.1	0.1
Ordinary dividends	—	12.0	17.0
Profit retained	3.8	10.8	12.3
	3.8	34.9	66.3

NOTE: On 15th August, 1975, K1 was equal to U.S. Dollars 1.5565 and U.K. £0.73811 (31st March, 1975, K1=U.K. £0.44518).

Lusaka

28th August, 1975

OVERSEAS NEWS

Japan may speed up reflation

By Charles Smith

TOKYO, August 28. OBSERVERS were forecasting today that the next planned cut in bank rate—the fourth since the Bank of Japan began relaxing its monetary restraints last spring—may be brought forward and enlarged as part of the Government's attempts to revive economic activity and stave off further business failures. This follows news of another big trading company—Chōrei—being in financial difficulties. Earlier this week Kojin company collapsed.

A 0.5 per cent. cut (the same as the previous three) has been generally forecast for early October, but there now appears to be a possibility of a cut of 1 per cent. being announced towards the end of next month. Plans are also being made to speed up deliberation in the Diet on the proposed supplementary budget due for approval this autumn. The budget, which will include big appropriations for increased public works spending, may be submitted to the Diet before the end of September.

Meanwhile Japan's overseas investment fell back to the 1972 level during the 12 months ending last March, after recording a sharp rise in the previous year. The value of new investment approved by the Ministry of Finance during the year ending in March was \$2,396m, 31 per cent. less than the previous year's figure. The Finance Ministry announced today that the fall is attributed not only to worldwide recession, but also to the Government's policy of discouraging investment in such optional sectors as leisure and property development.

Real estate investments by Japanese companies showed an 86 per cent. fall last year compared with the previous year.

Mrs. Gandhi's son lashes state sector

BY OUR ASIA CORRESPONDENT

SANJAY GANDHI, the son of the Indian Prime Minister, Mrs. Indira Gandhi, and one of a mere handful of people now closely consulted by the Indian leader, has delivered what amounts to a stinging attack on the "socialist" economic policy of the Government and on its reliance on the Communist Party.

As well as calling for a boost to be given to private enterprise, he also attacks the Moscow-oriented Communist Party of India, the staunchest supporter of his mother in her Declaration of Emergency. Mr. Gandhi is a businessman in his late twenties.

BY K. K. SHARMA

NEW DELHI, August 28.

MR. SANJAY GANDHI, influential son of Mrs. Indira Gandhi, the Indian Prime Minister, has publicly come out in favour of a private sector oriented economy.

He told the magazine "Surge" that he is also opposed to nationalisation and would not mind seeing the existing public sector "die a natural death" if it cannot compete with the private sector. Mr. Gandhi's interview is the first of its kind to be published.

In it he suggested that controls on industry be lifted, taxes be reduced and the private sector given full freedom to "revitalise the economy".

On the political plane, Mr. Gandhi signally criticised the Communist Party about which he said: "I don't think you would find a richer or more corrupt people anywhere."

He felt that neither the Communist Party nor the Hindu Nationalist Jana Sangh was caste-based and this is what he would like the ruling Congress to become.

Mr. Gandhi believed that the only way to "finish off" big business is to remove all controls. "In a controlled economy it is big business that expands because there are the people who have the resources and the capability of getting around the controls."

Asked whether he believed in nationalisation, Mr. Gandhi said: "No, not at all. He pointed out that after the coal industry was nationalised, prices of coal increased from Rs.35 to Rs.50 a tonne while the industry incurred a loss of Rs.1bn.

Opposing the high rate of taxation in India, Mr. Gandhi said: "When I pay 97 per cent. it goes towards financing the inefficiency of the government. So, why should I pay?"

In reply to another question Mr. Gandhi said he believed in democracy but "democracy does not mean the freedom to destroy everything there is in a country. Democracy means the freedom to build a country."

Asked about the role of the opposition, Mr. Gandhi said: "In India effectively there has been only one party system. The basic reason for that one party—the Congress—being everywhere and not being able to be defeated was that the opposition was so irresponsible."

He added that people preferred to vote for the Congress because they did not want the Communists and others were "such a bunch of rabble." Mr. Gandhi devoted a major part of the interview to denouncing the charges that he had obtained extra advantages in running his car factory, Maruti, because he is the Prime Minister's son.

Rockwell put on Arab boycott

CAIRO, August 28.

THREE major U.S. companies and the Romanian airline Tarom were added to the Arab blacklist today for dealing with Israel, the Boycott Commissioner General said.

Mohammed Mahgoub said the firms added to the list are North American Rockwell and all its branches, Berkey Photo Corp. and General Telephone and Electronics Co. They will be barred from doing any business with Arab countries.

Conference sources said adding the Romanian airline to the list reflects Arab dissatisfaction with increasing economic dealings between Romania and Israel.

Romania is the only east bloc country to maintain diplomatic relations with Israel. The Arab Boycott Office also removed the names of 11 foreign companies from the blacklist. Mr. Mahgoub added.

They include three American multinational giants with 100 subsidiaries worldwide dealing in cars, machines and glass and plastic products and a French firm which has a chain of commercial branches throughout France.

The Boycott Office is expected to remove the names of more than 40 other foreign companies from the list during its current closed-door meetings at the headquarters of the Arab League in Cairo. The 10 day conference opened Saturday.

It removed the names of 17 foreign companies from the blacklist Wednesday and added the names of three companies.

AP-DJ Reuter adds from Washington: Commerce Secretary Rogers Morton decided not to make public the names of U.S. firms which have been asked to back an Arab economic boycott of Israel.

HOME NEWS

Prior puts blame on Foot for jobless school-leavers

BY RICHARD EVANS, LOBBY CORRESPONDENT

A FIERCE personal attack on Mr. Michael Foot, Secretary for Employment, was made last night by Mr. James Prior, Conservative Employment spokesman.

Mr. Prior, speaking in his Lowestoft constituency, said that it was imperative that effective action was taken to help those who would suffer most from the Labour Government's incompetence.

"That word cannot be spoken without bringing to mind Mr. Michael Foot. Never has there been a more hapless, short-sighted, weaker Secretary of State than Michael Foot. The next few generations of youngsters leaving school and looking for a job have him to blame as much as anyone if they find themselves idle."

Unprepared

Many Labour MPs will think that Mr. Prior's comments, although made by a politician who believes in outspoken criticism, go beyond the normal bounds of political give-and-take.

Mr. Prior said that over many months the Conservatives had drawn attention persistently to the gathering crisis of unemployment among young people but when the storm broke, Mr. Foot had no plan ready.

"Quite apart from the demoralising effect on the young people themselves the country has been hit by a wave of pessimism in a few years if some imaginative way is not found to occupy their energies in constructive and beneficial ways."



Mr. Foot



Mr. Prior

Such a programme implied a radically new approach to training, further education and work experience courses, but there was no sign yet, apart from a few piecemeal measures, that the Government had begun to set its priorities right. Far from Conservatives bringing about unemployment, it had been the Labour Government doing.

"This Government is wanting the people to join with it in a collective effort to get the country out of a crisis, but it is shown that Labour policies would lead to this but they had support by ditching the most been ignored. 'Now they are partisan and dogma-ridden of its thankful that in the crisis they policies.' Mr. Prior said.

Barclaycard follows Access and raises monthly loan rate

BARCLAYCARD is following the lead of its rival Access in lifting the rate of interest on loans to its 3m. cardholders from 14 to 2 per cent. a month from November 1.

The move reflects the strong pressures of high interest rates, rising costs and Government restrictions which have pushed both bank card operations into losses in the past couple of years.

It means that the maximum true annual interest rate on extended credit from Barclaycard will rise from 19.57 per cent to 26.82 per cent. Barclays points out, however, that this is a theoretical maximum which does not take into account the free credit period which varies from 25 to 60 days.

Making allowance for this factor, actual money cost of loans on bank credit cards can be much lower than the maximum it is pointed out.

Mr. Frank Snushall, Barclaycard's divisional general manager, said: "Inflation, the cost of money and greatly increased overheads have taken their toll. The autumn increase in postal charges will mean that our post bill alone will have risen by nearly £1m. in two years."

Access, which appeared much later backed by the other three big banks and others, thought never to have been in a profit position. But after establishing its market Barclaycard did make profits in the two or three years before 1973.

It is noticeable that its statement lays rather more emphasis on the cost element of its difficulties than Access, which tended to stress the interest rate problem more.

Both cards have continued to enjoy a substantial growth. Barclaycard reports that new cardholders have been coming in at a rate of 40,000 a month, and its turnover was 60 per cent. up in the first six months of the year compared with last year.

Access has said its turnover was up by over 100 per cent. Both organisations have considered other ways of tackling the problem, including for example reducing the free credit period or charging a flat fee to cardholders, but both have come down in the space of a fortnight to a straight lift in interest and the decision reflects the charges.

Severe effects

The Government restrictions introduced in December, 1973, had had severe effects. These included the minimum repayment on the credit cards from 5 per cent. or £2 a month, whichever was the greater, to 15 per cent. or £8.

As a result the effect of these restrictions has been the expansion of the lending of which the banks hope to make their profit from credit card operations had been cut to very low levels, in spite of a continued sharp increase in their use. In the case of Barclaycard, it cut the average in the first six months of the year for which credit is taken from seven to four months.

Mr. Snushall said that a change to a 2 per cent. a month charge was essential "if we are to avoid losses greater than we have already experienced."

It is the first time that Barclaycard has changed its interest rate in the nine years since it was launched in 1966, and the decision reflects the charges.

Sports Council plea over Olympic TV

By Arthur Sandles

BRITISH SPORTS COUNCIL have now added their plea to the International Olympic Committee to make sure that a row over money should not rob Europe of television coverage of the 1976 Montreal summer Olympic Games.

Sir Robin Brook, chairman of the Sports Council, has said that the absence of Olympic TV could damage U.K. sport.

His argument is based on the fact that the four-yearly Olympics are a great spur to interest in athletics. In his letter to the IOC, he points to the surge in enthusiasm for gymnastics after the heavy coverage of displays by Russian gymnast Olga Korbut in Munich.

The IOC, whose president is Lord Killanin, is the final arbiter in any Olympics dispute. At the moment, the IOC's American television rights are offering £200m. for broadcast rights, and the Montreal organising committee has sought £200m.

It is possible that the Israelis will not, in fact, rely too exclusively upon the reports from such installations but will, as a compensation, equip and operate devices within their own control, then in fixed sites or accepting the handicaps, the converted transport aircraft. They have had the latter facility, using C-47s, for some years. They have also been looking for other, newer types, such as the AWACS now under study within NATO.

This move poses a problem to the U.S. for the first time it will become directly involved with the mechanics of day-to-day peacekeeping. The risks of being put in that position have not been lost on the Democrats in Washington. And it is unlikely, if anything unpleasant does happen, that the U.S. tech will be able to do much about stopping it. But the greatest obstacle to peace between Arab and Israeli is the mutual suspicion which has developed. Any aid which can be provided in order to provide an environment in which that suspicion may be reduced will be of value.

Labour 'threat' to Press freedom

BY PETER FOSTER

THE COMPLETE destruction of Press freedom is threatened by the recent proposals put forward by the Left-wing of the Labour Party, according to Lord Shawcross, chairman of the Press Council.

In the council's report for 1974, published today, he launches a stinging attack on the Labour Party's discussion document, The People and the Media, a shortened version of which was submitted earlier this year to the Royal Commission on the Press.

"There was much in the pamphlet which, although not new, is interesting and useful," he said. "I believe, however, that some of its major proposals could lead to the utter destruction of the freedom of the Press."

The first was the proposed central control of advertising revenue and the second, workers' control.

On central administration of advertising, Lord Shawcross claims that the scheme "is so impracticable it may seem unlikely to be adopted. We must be sure it is not."

The late Mr. Lenin

"Somewhat more subtle, and possibly derived from the theory of Soviet Press control, are vague proposals about what is misleadingly described as 'internal or industrial democracy'."

He was in favour of worker participation in management, but in the form which is canvassed in the Labour Party's submission to the Royal Commission, it is wholly objectionable and should be rejected. We know what happened afterwards. These threats came at a time when the freedom of the Press was of maximum importance. He

cause the problems facing the country had never been "more complex, confusing, or difficult for ordinary people to assess."

Varying viewpoints

"They are problems which cannot be resolved by instant citizens must be able to rely on a free, an independent and a diversified Press to inform them clearly about the facts essential to an understanding of the problems and advise them, from varying points of view, of the solutions."

The report says the council disposed of 874 inquiries during 1974. Satisfaction rose from 84 in the previous year to 41, of which 14 upheld complaints and 27 rejected them.

The Press and the People, 40p from the Press Council, 81, Farringdon Street, London EC4A 4BL.

Israel focuses on U.S. aid details

BY ROBERT GRAHAM

JERUSALEM, August 28.

AS U.S. Secretary of State Dr. Henry Kissinger's shuttle mission appears to be nearing its conclusion, interest is focusing here on the dimension and scope of American military and economic aid. This item has been left until last and is part of bilateral negotiations between Israel and the U.S.

The broad line for the Israeli economic and military demands were spelled out in Washington by an Israeli team before Dr. Kissinger left for his latest mission. However, neither side has yet announced agreement and only today did the negotiating team touch on the subject.

Following the collapse of Dr. Kissinger's mediation effort in March, Israel's request for up to \$2.5bn. in military and economic assistance was shelved while the U.S. Administration undertook its well-publicised "re-assessment" of Middle East policy.

Of the Israeli \$2.5bn. demand, roughly \$1.8bn. was believed to have been for military equipment and some \$700m. for economic aid. Now on top of this the Israelis are said to be asking for a further \$750m. This would be partially for more military equipment plus some \$150m. for dismantling the existing defence lines in Sinai and as much as \$350m. to compensate for lost supplies from the Abu Rodeis oilfield. It is also expected that part of the extra sum sought will be utilised to construct special underground oil storage tanks to ensure adequate future stocks.

Another issue still requiring delicate "technical" negotiations is the presence of U.S. personnel to be called the "Custodians" in the public Israeli-Egyptian agreement—the Sinai buffer zone meaning three surveillance stations.

Major defensive deployments to meet a potential threat would be made as the result of longer-range surveillance involving the whole range of sources and agencies available to the defence establishment. As far as early warning radar is concerned, the problem hinges on the collection, differentiation and recording of subtle changes in radar signals. By the time a massive air movement begins, any warning would be reduced to the time it takes for that air movement to cover the distance from its airfields to the defensive position and so would be too late. But the subtle early warning indicators impose great demands on the operators of the equipment. They must maintain a continuous watch on the sources of such signals, logging, comparing and evaluating any changes that may occur. Any they cannot understand, or which may be unusual or suspicious, must be reported immediately to the intelligence staffs at the senior headquarters or order that these indications may be read in context with information derived from other sources. It will be obvious that any weakness in the human element of these radars can have dangerous effects on the reliability and efficiency of the source itself.

The arguments during the current negotiations have centred about an installation on a peak just to the north of the western end of the Giddi Pass, Jebel Umm Khushbe. This peak stands 2,100 feet above sea level and dominates the whole centre sector of the Suez front. Equipment in the installation on its peak can allegedly spot and follow aircraft on the airfields well into Egypt—the lower Delta. Possession of this feature gives the Israelis surveillance over the approaches to the centre of their defensive position. Reports concerning the location of other, similar positions tend to be contradictory. There may be one other, and perhaps as many as two, lesser sites, but the retention of a facility at this point is considered by the Israelis as vital to their defence.

What would be their alternatives? If they had to withdraw, the next possible position would be either the Gebel Y'allag, a 3,589 foot peak lying south-east of Bir Gifgafa, or the Gebel el Ma'aza (2,500 feet) lying north-east of Gifgafa. But these have two major drawbacks. They lie behind the major airfield at Rafidim and the major headquarters at Bir Gifgafa. But, more important, they lie behind the range of hills which contain the passes. Radar signals, except for those in the highly sophisticated Forward Scatter strategic

systems, rely on line-of-sight. The interposition of a hill means that there is an area behind that hill which the radar cannot "see." Such an area would provide a covered approach for an enemy. In the IDF view this would place their forces at risk.

Early warning

The proposal to have a number of stations, serving both Egypt and Israel, as well as the U.S., manned in part by U.S. civilian technicians is an attempt to provide for the continued operations of such early warning systems while, at the same time, ensuring that the forces, which would normally provide their protection, are withdrawn to conform to political demands. There would be no technical difficulty in establishing a new post for the Egyptians, who hitherto have lacked such a facility. The giving of tactical surveillance devices in the passes would ensure that infiltration was kept to a minimum. But there are a number of very real technical, operational and political problems when it comes to the actual joint manning and operation of a site. Bitter personality clashes are not unknown even when the crews of such sites are more or less equal in terms of background, training and experience. The prospects of misunderstanding and conflict are much greater when the crews are mixed, and the motivation of the members of the two components is as disparate as it will be.

It is possible that the Israelis will not, in fact, rely too exclusively upon the reports from such installations but will, as a compensation, equip and operate devices within their own control, then in fixed sites or accepting the handicaps, the converted transport aircraft. They have had the latter facility, using C-47s, for some years. They have also been looking for other, newer types, such as the AWACS now under study within NATO.

This move poses a problem to the U.S. for the first time it will become directly involved with the mechanics of day-to-day peacekeeping. The risks of being put in that position have not been lost on the Democrats in Washington. And it is unlikely, if anything unpleasant does happen, that the U.S. tech will be able to do much about stopping it. But the greatest obstacle to peace between Arab and Israeli is the mutual suspicion which has developed. Any aid which can be provided in order to provide an environment in which that suspicion may be reduced will be of value.

Observation posts to help guard against surprise attacks are an essential ingredient in the new Middle East settlement. S. R. Elliot, of the Institute for Strategic Studies, explains how they work

The electronic eye-ball

A KEY FACTOR in the current round of negotiations toward peace in the Middle East has been the existence and operation of observation posts. Though these posts involve the use of the latest modern electronic gadgetry, rather than the traditional "Mark" "Eye-ball," the military principle involved is as old as recorded military history.

When the Israeli Defence Forces (IDF) withdrew from the immediate area of the Suez Canal in late 1973 they established a new defence line based upon a range of hills lying roughly parallel to, and some 25 miles from, the Canal. This range is cut by the three passes, Mitla, Giddi, and Khatinia, through which any major military movement—in either direction—would be forced to pass. Beside these passes, on both the eastern and western slopes of the range, are a number of prominent features. Possession of these features enables a defender to overlook the entire range, to observe the movement of his opponent can be seen to be doing. At night, or in conditions of poor visibility, the observers must have their sight augmented by more sophisticated devices.

Two categories

What are these devices? There are two main categories. Short-range, front-line devices, now grouped under the new term "infinities," and the longer-range, early-warning devices which are based on variants of radar. These latter devices may be sub-grouped by function—in intelligence-gathering and tactical surveillance. The precise details of what equipment is available within the area are scanty. It is in the security interest that information concerning the existence, capabilities and deployment of this equipment be restricted. But many items have been in use for some years and may, fairly safely, be assumed to be in service in the area.

At the fighting unit level, observation tends to be simple, short-range and personal. The infantry observation post, with binoculars, a card showing ranges and salient terrain features, a log and a telephone at all of which were developed at least as early as the First World War, still perform occasionally pertinent duties. They will be found and the Israelis have developed a tall tower mounted on a tracked vehicle to give height that, in

more built-up areas, would be provided by church steeples, factory chimneys, and the upper floors of tall buildings. The use of this device in periods of active hostilities would be unwise. The short-range infinities to augment the human eye and ear are a family of electronic equipment with a degree of integration in their design and use. In general their argument, but do not replace, the human capabilities. They include all the equipment intended to enable a man to see at night, such as special "starlight scopes" and binoculars, sights and scanners. They include acoustic devices which can pick up and locate minor movement beyond the range of normal hearing. Skilled operators soon develop the ability to distinguish between normal animal and human-caused noise. As to the added minor electronic devices; radar sets which can detect a moving aircraft a considerable distance away, forward-looking infra-red detectors which can spot and identify the movement of vehicles, and yet others which can detect electrical emissions from enemy radar or radio. Most of these have to be attended by a small crew. But there are some devices, such as those which can detect human body odours, which can be deployed and then left unattended to report movement detected in their vicinity to a central control. Some of these devices are used to augment the line soldier's capability to engage his enemy; others merely report where that enemy may be. In the context of the present discussion it is the latter characteristic that is most important.

It is unlikely that the Israelis are unduly concerned about the possible threat to forward units in the Sinai. Of vital concern is the ability to locate and evaluate any major threat which may develop. And it is this protection which the early warning system is designed to provide. No significant military action can take place without the support of major armoured and air forces. But such a force cannot be deployed without being observed. If they are deployed then the tactical warning radar installations have a relatively straightforward job. They must search the area from which an attack is expected. If they can establish that there is an enemy presence, then they must attempt to pinpoint it and then establish precisely what and how large a force it is. They must attempt, in other words, to provide a sure warning to the defence commander of the threat he must meet.

Record Lloyd

Call to

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Search for

West End

Press HQ

By John Trafford

THE Property Services Agency, acting on instructions from the Foreign and Commonwealth Office, is looking for a building in the West End of London which could be used as a Press Centre to provide facilities for journalists covering three important international conferences to be held in London in the first half of 1977.

No such Government-sponsored Press Centre now exists in London. The property most likely to be chosen is the Bath Club in St. James's which was bought in 1959 by Harry Hyams and in late 1964 sold to the new owners, the Amalgamated Investment and Property Company.

Apart from the fact that it is vacant, another advantage of the property is its proximity to Lancaster House where both the Commonwealth Prime Ministers and the EEC Summit conference are expected to be held in 1977. The third conference scheduled for early that year involves the 15 NATO countries.

Up to 900 journalists could attend the EEC and the Commonwealth Prime Ministers' conferences.

The report says the council disposed of 874 inquiries during 1974. Satisfaction rose from 84 in the previous year to 41, of which 14 upheld complaints and 27 rejected them.

The Press and the People, 40p from the Press Council, 81, Farringdon Street, London EC4A 4BL.

HOME NEWS

Record £92m. profit for Lloyd's on 1972 account

BY JAMES McDONALD, SHIPPING CORRESPONDENT

LLOYD'S, THE London international insurance market, made a record profit of £91.99m. in 1972, according to its annual account of 1972, which closed at the end of last year.

Mr. Havelock Hudson, chairman, gave a warning, however, that the 1973 account, still with one year to run, would be "mediocre" and that the 1974 account would be "bad".

In effect, the 1974 account was expected to produce a loss. The last loss made by Lloyd's was in 1967, but Mr. Hudson said yesterday he expected the profit and loss "cycle" in Lloyd's to be on a "shorter swing this time".

Underwriters had learned the lessons of 1968 to 1971. "They have reacted correctly by renewing contracts on good business in order to retain it and by allowing bad business to go."

"If I am right, the downturn in profit will be more short-lived than was the case in previous periods of unprofitable underwriting."

The £91.99m. profit exceeded the previous record 1971 account profit of £84.8m. All sections of the Lloyd's market contributed to the 1972 balance, which represented a profit of 9.61 per cent on a premium income of £857m. The 1971 balance of £77m. represented a profit of 8.9 per cent on a premium income of £871m.

Accounts are left open at Lloyd's for three years, during which all premiums received and all claims paid are attributed to the calendar year in which the business was actually transacted.

Insurance—the most important

factor in the City's invisible earnings—accounted in 1973 for over £370m., says Lloyd's, with more than half of this total contributed by Lloyd's underwriters and brokers.

Lloyd's made a massive contribution to the U.K. balance of payments with 76 per cent of premiums being earned overseas. In this context, Mr. Hudson referred to recent political criticism of "City bosses working a three-day week and three-hour days."

It was not unusual for underwriters and brokers to work well outside normal working hours under considerable stress and at week-ends. "Attempts to denigrate efforts of workers in the City of London are bitterly resented."

He hoped that an increase in new overseas business would mean that recovery from the present downturn could start next year.

Big increase

There had been a big increase in inquiries from the U.S., with the most important rise probably in non-marine business.

This year Lloyd's has received 1,300 applications for membership of which 1,100 may be approved, with 200 of these overseas applicants.

There had now been five successive profitable years for Lloyd's underwriters. "There is every indication that the U.K. Government is aware of the absolute necessity for the industry and commerce to operate profitably."

Mr. V. V. Hudson, chairman of

Lloyd's Motor Underwriters' Association, reporting on the 1972 result, said that with premiums raised to a more realistic level, in the face of rising claims costs, a reduction in claims incidence during a very good motor winter had led to the best profit for several years.

The 1972 profit of 12.72 per cent—£8m. on premium income of £63m.—compared with a small profit of 3.87 per cent in 1971 and losses on the 1969 and 1970 years of account. Motor premium income rose by 27.6 per cent in 1972.

Mr. Hudson said of the future: "In present conditions, premiums must continue to increase to keep pace with the sharp increase in costs. To keep these increases to a minimum we continue to restrict both claims costs and premium levels."

Mr. C. O. Gibbs, chairman of Lloyd's "Underwriters' Association, said the 1972 account produced a satisfactory profit for the marine market. The 1973 account, however, was showing the effects of increased competition, which would result in a reduced profit.

The 1972 aviation account produced a profit of £9.8m. down from the record £15m. for 1971. Mr. J. M. T. Hewitt, chairman of Lloyd's Aviation Underwriters' Association, reported that

Mr. A. B. Gray, chairman of Lloyd's Non-Marine Association, said the 1972 account had produced a profit of 4.43 per cent for the non-marine market—£15m. on a premium income of £27m. down from 1971.

Under this agreement, the basis of assessing initial commission on life policies will change next July from being 2 per cent of the sum assured to one relating to premiums. It will be a sliding scale at the rate of 24 per cent of the premiums for each premium paying year of the policy up to a maximum of 80 per cent.

Although Equity and Law will along with the charters of next July, its maximum commission will be 125 per cent. This for whole life contracts taken out by people under 30, the scale represents a considerable reduction.

In a surprise move the company left the LOA in June 1971 over the question of indemnity terms. Under these selected brokers are paid the initial commission in a lump sum at the outset. The LOA and ASLO do not allow such payments.

Equity and Law rejects commission agreement

By Eric Short

EQUITY AND Law Life Assurance Society, which four years ago quit the Life Offices Association, is refusing to be bound by the new commission agreement recently enacted by the LOA and the Associated Scottish Life Offices with the acceptance of the leading insurance-broker organisations.

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Setback

Equity and Law's decision is a major setback to the LOA which hoped that the new commission structure would enable the organisation to expand its membership to embrace most of the life companies which do not subscribe to the present system. The other non-members, mostly the newer unlinked companies, are not unsympathetic to the idea.

Its marketing implications could be serious. Certain broking organisations covering both the mortgage broker and the medium and small high street brokers have opposed the change.

Higher fares moves for airline talks

By MICHAEL DONNE

FURTHER RISES in many world air fares, to take account not only of general inflation, but also

BA chief seeks staff help in reversing £9.4m. loss

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS group earned a small trading surplus of £5.4m. in the year to the end of last March, but the net result after paying taxes and interest, was a loss of £9.4m.

This compared with a net profit of £16.6m. in the previous year, on a group trading profit of £32.2m.

Sir David Nicholson, chairman, said yesterday when presenting the accounts that the 1974-75 results would have been better and the airline would probably have at least broken even had it not been for a long series of industrial disputes which cost £1m. in lost revenues.

The sharp deterioration in the financial results from 1973-74 to 1974-75 reflected the condition of the British economy and the world economic situation, particularly of the airline, which cost the airline £70m. more last year.

Nevertheless, the 1974-75 result was considerably better than that of some of BA's main competitors, such as Pan Am and Trans World Airlines, and better than many of its Continental counterparts.

This year would continue to be difficult. "Plans have been formulated which could give the airline an operating surplus, but will depend on the degree of acceptance of these plans by the staff."

The plans included continuation of the previous year's policies of staff retrenchment where possible, withdrawal of the airline from some of its less profitable routes, and a general streamlining of operations.

Sir David—who hands over the chairmanship of BA to Sir Frank McAdam at the end of this month—said that progress in implementing the merger between BOAC and BEA had been slower than anticipated.

"In many areas, there was resistance to change. New forms of management/transport union machinery were set up to deal

with such matters, but progress is slow. Nevertheless, we are convinced that the right approach is being made, and we shall continue to provide the necessary environment for negotiations to be satisfactorily concluded."

Sir David disclosed some details of future plans, including a second non-reservations Shuttle service on the London-Edinburgh route next April subject to satisfactory talks with the unions.

BA had been encouraged by the success of the London-Glasgow Shuttle, which was expected to break even in 1976-77. Other possible routes for Shuttle services now being examined include Paris, Amsterdam, Dublin, Brussels and Belfast.

Commenting on the introduction of Concorde, he said that there was still uncertainty over fare levels, routes, landing rights in many parts of the world, notably the U.S., and the aircraft's overall profitability.

Negotiations on fares would start soon.

Sir David did not hold out much hope for a major improvement in the airline's situation in



Sir David Nicholson

Trevor Humphreys

the next few months. "There is certainly at a lower level than last year, but not unexpected during the late autumn and early 1976."

The airline's annual report shows that during 1974-75 the BA group, as a whole, carried 13.3m. passengers, or about 1m. fewer than in the previous year. Because of higher fares turnover meeting and beating its budgetary targets. "In the £748m. and revenues increased by £68m., a rise of 17 per cent.

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E. N. I.

(National Hydrocarbons Authority)

7% Sinking Fund Debentures due October 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on October 1, 1975 at the principal amount thereof £2,336,000 (principal amount of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH	
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LABOUR NEWS

NEWS ANALYSIS—SWAN HUNTER

Challenge to pay policy

BY JOHN WYLES

FRESH MOVES will start to-day to persuade 5,000 Swan Hunter shipbuilding workers to put aside traditional pay rivalries and to end an eight-week strike which has become the first major private sector challenge to the Government's new £6 pay policy.

But as a thinly-attended meeting on Saturday has already demonstrated, the strikers are finding the Government's policy a bitter pill to swallow because it rules out any settlement of their demands for £10.30 a week interim rises.

Blind eye

The claim comes after a series of "leapfrogging" pay deals at Swan Hunter's six Tyne shipyards which began in the autumn and culminated in June with an agreement giving £10.30 a week rise by next January, the company's 4,000 members.

Although the 1,300 workers present at last week's meeting decided by a majority of only 19 to continue the stoppage, national union leaders from two of the main unions involved will again be telling their shop stewards to-day that there is no prospect of the Government turning a blind eye and allowing the strikers to force the company to ride roughshod over the policy.

The message was hammered home effectively by Department of Employment officials when they gave their interpretation of the anti-inflation White Paper to management and national union officials last week.

Until then, the unions had retained some lingering hope that payment of interim rises might still be possible. But DE officials took their stand on the 13-month rule in the White Paper which

they said, meant that the Swan Hunter men could have no further wage rise before their annual payment date, next January.

In facing its first private sector test of the pay guidelines, the Government has been lucky to have the General and Municipal Workers as the main union involved in the dispute.

The GMWU has so far remained true to its strong backing for the £6 limit and Mr. Ken Baker, the union's national leader for shipbuilding, has made determined efforts to persuade his 3,000 members to end their strike.

Although there are five other unions involved in the dispute, Mr. Baker's voice has so far been a lonely one. While the Union of Construction Allied Trades and Technicians—representing painters and woodworkers—may for the first time issue a clear recommendation to return to work to its 600 members to-day, other unions have been content either to leave the GMWU to lead the way or, like the Amalgamated Union of Engineering Workers, to repeat their general opposition to the £6 policy.

Obviously, this kind of union dissension does nothing to help the GMWU to lead the way or, like the Amalgamated Union of Engineering Workers, to repeat their general opposition to the £6 policy.

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which began when the Conservative Government's Stage Three restrictions were lifted by Labour Ministers last summer.

Since then the company's management has scarcely been free of pay negotiations as first one group and then another sought to improve its pay position and its differentials over other grades.

Of paramount concern to the strikers, who are all either out-fitting craftsmen or ancillary workers, is the gains made this year by the company's boiler-makers. Never reluctant to threaten to use their industrial power, the boiler-makers first won a £3.50 a week interim settlement in March to preserve differentials which had been eroded by other agreements and then went on to negotiate an annual deal in June giving £10.30 a week rise by January.

Rejected

Claiming that the boiler-makers were now enjoying unacceptably wide differentials of £12 over most other craftsmen, and £20 over ancillary grades, shop stewards immediately put in a demand for similar pay rises for these workers although their current agreement was only six months old.

The company's offer of a £2 a week interim rise was immediately rejected by shop stewards, whose allegations that Swan Hunter was "playing favourites" with the boiler-makers met with some sympathy at a meeting of the out-fitting and ancillary workers which decided to begin a strike on July 7.

Relationships have never been easy because of the boiler-makers' traditional elitism and

desire always to negotiate separately. Boiler-makers officials claim that their prized differentials are a recognition of their new "flexibility" and agreement to soften demarcation lines.

They say they would not oppose some erosion of these pay differences providing the other trades showed a similar willingness to compromise on traditional work demarcation.

Although it was unlikely that the strikers would have won exactly the same rises as the boiler-makers, it seems probable that a peace settlement would have been found but for the publication of the Government's White Paper.

In an attempt to rush a settlement through before the August 1-start of the new policy, the out-fitting and ancillary workers' stewards accepted an improved offer of £5.50 rises by January. But their recommendation was repudiated by a mass meeting and then the Department of Employment ruled out the possibility of any interim deal.

Hopes of a return to work now rest on the strikers showing a change of heart at mass meetings which are expected next week. If they still decide to stay out then the TUC could well come under pressure to support publicly the interpretation of the pay policy already given by the Government.

This would clearly underline the importance of the issue at stake. For if the voluntary £6 policy fails at its first serious challenge in private industry then its chances of survival into next year would be greatly jeopardised and the Government might be sorely tempted to invoke the severe powers which are still under wraps.

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Miners back pay limit 3-2: Scotland and S. Wales against

BY OUR LABOUR REPORTER

BRITAIN'S MINERS have voted three to two to back the Government's new £6 anti-inflation pay policy.

The result of the National Union of Mineworkers' pithead ballot, announced yesterday, discloses that on a 77 per cent turnout, 54,000 miners voted in favour of the policy and 25,743 (39.5 per cent) against.

Although the question on the ballot paper made no reference to the £6 pay limit, miners have been left in no doubt during the voting period that this was the issue at stake.

The overall vote against the policy is regarded by NUM Left-wingers as virtually the highest they could reasonably have hoped for, but it is significant that only two of the five Communist or Left-winged coalfields actually produced a majority against the

union national executive's recommendation to back the efforts of the TUC and the Government to end inflation.

Mr. Arthur Scargill, the militant Yorkshire area president, secured only a 48 per cent vote for his Left-wing line, despite the backing he won from a large majority of representatives from the area's 75 pits, who urged their miners to vote against the national executive.

Left-wing area leaders in Derbyshire and Kent suffered similar defeats.

Voting in the various coalfields was staggered over a four-week period because of holidays and it is worth noting that the two militant coalfields who balloted only last week—Scotland and South Wales—produced majorities against the policy.

The longer time they had for

campaigning may have helped, and certainly Mr. Mick McCabe, the NUM's Communist vice-president, who is also president of the Scottish miners, felt yesterday that his efforts had been rewarded by the 62.5 per cent majority against the policy in Scotland.

Similarly, South Wales militants led by Communist area secretary, Mr. Dai Francis, were happy to win a 53 per cent majority against the Government.

Pay policy 'must be long-term'

BRITAIN WILL need an incomes policy long after the present one limiting incomes to £6 a week expires, according to Mr. Aubrey Jones, chairman of the National Board for Prices and Incomes.

"I think it inevitable that a policy in one form or another will continue," he told delegates to the British Association for the Advancement of Science conference at Surrey University, Guildford, yesterday.

Because of the present pay policy, he said, relative incomes will have been diminished. If the policy was then entirely abandoned, there would be a rush to restore the preceding inequalities and from the national standpoint this would be most undesirable.

Any future long-term incomes policy to curb Britain's economic ills, he went on, should lean in favour of the lower income groups, though less rigidly than at present. Such a policy should also take due regard of the content of a man's job and the degree of responsibility exercised.

Mr. Jones said a degree of inequality in incomes in our society was "inevitably desirable," because it conformed with certain basic requirements of human nature.

IN BRIEF

Shipyard talks
The 700 out-fitting tradesmen at the Swan Hunter yards of Sunderland yesterday ended a two-week overtime ban and work-to-rule after news that the industry Minister, Lord Beswick, will meet union leaders next Wednesday.

Lay-off warning
The Tyne-side engineering company Regalite warned its 3,500 metal workers that they would be laid off from Wednesday unless there was settlement of a demarcation dispute involving 70 members of the Boiler-makers' Amalgamation and National Union of Sheet Metal Workers.

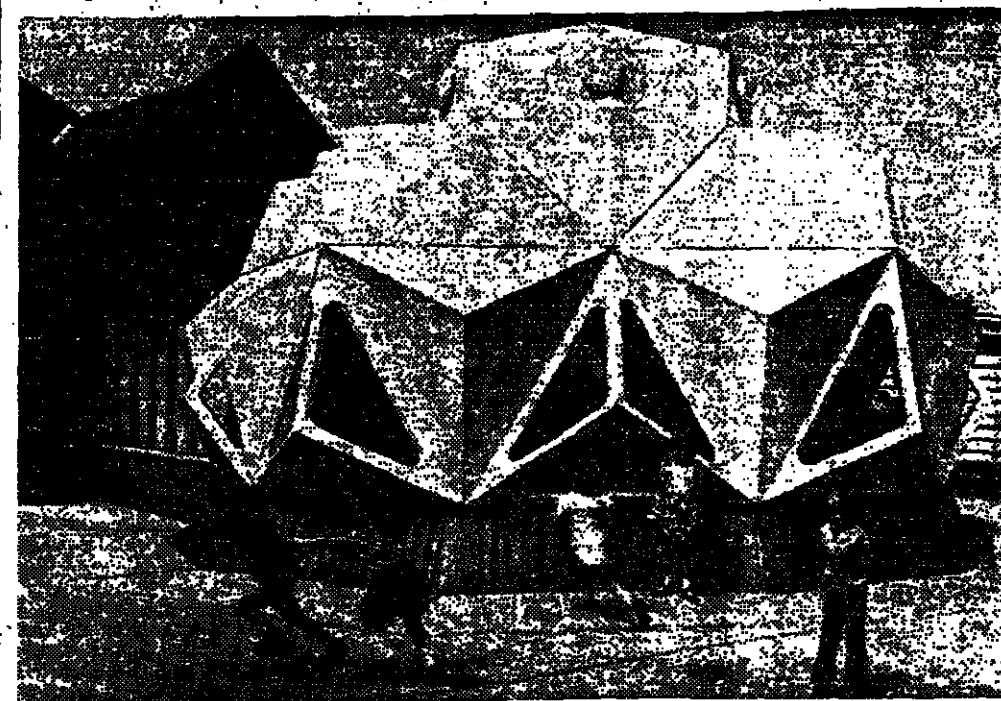
Pay decision
Delegates representing 30,000 hospital ancillary worker members of the General and Municipal Workers Union decided to press for the full £6 increase allowable under the Government's pay policy when their December annual settlement is renegotiated.

Firemen's demand
Representatives of most 2,500 West of Scotland firemen voted 95-5 to continue their three-month-old work-to-rule. They want the national executive of the Fire Brigades Union to reinstate all nine rebel firemen who were expelled last month when they tried to organise an unofficial strike ballot in the region.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

MATERIALS



This is claimed to be one of the first permanent, self-supporting buildings constructed from glass reinforced plastics to meet the Class 0 fire-retardant requirements of the Building Regulations. It is constructed from 25 equilateral triangular units with sides of 2.3 metres. Each unit comprises an exterior 6mm glass reinforced plastics laminate, using Synthetic Resins' fire-retardant 1361A polyester lay-up resin with a return flange of 50mm to facilitate assembly with bolts. A 30mm layer of the company's new phenolic resin was foamed and injected between the laminate and a temporary inner mould. By heating the mould during the process, the phenolic foam cures with an integral skin, providing a vandal-proof surface to the interior face. The structure has been used as an extension to Kennington Road Primary School, Fulwood, Lancs.

Increases the uses for porous plastics

MOST POROUS plastic materials have pore sizes above 50 microns, says the Israeli company Ramot Plastics. A subsidiary of Ramot, holding company for applied research and industrial development attached to the University of Tel-Aviv, it claims to have succeeded in producing porous plastic tubes with pore sizes in the range of 1 to 50 microns.

These tubes have been incorporated in gas dispersion systems and in filtration modules. They can be used in the separation of solid particles, oxygenation of sewage effluent, and other industrial processes requiring good dispersion of gases in liquids and/or formation of very small bubbles (for example, flotation processes, industrial fermentation, etc.), says the company.

Preliminary engineering calculations by the company indicate that the use of porous tubes as gas diffusers may be more efficient technically and economically than conventional methods. Possibilities for the application of the tubes in filtration,

purification, concentration and separation processes are also being investigated. Ramot Plastics has designed and assembled systems for this work, and has demonstrated that modules composed of bundles of the tubes, and using cross-flow filtration techniques, can remove suspended solids from waste water and industrial effluents.

The tubes can also be used for the clarification of colloidal solutions yielding permeate of excellent quality, the company reports. Because the tubes are produced by extrusion techniques almost limitless lengths, diameters and wall thicknesses are possible. Pore sizes can also be controlled, making possible a wide range of applications.

Further information from Ramot Plastics, Tel-Aviv University Campus, 153 Herzl Street, Tel-Aviv, Israel, or from the Council for Economic Liaison Europe-Israel, P.O. Box 800, The Hague 2076, Holland.

ELECTRONICS

Heat sinks for circuit packages

DESIGNED FOR cooling dual-in-line packaged integrated circuits, the heat sinks from the U.S. are available from Dage European, Haywood House, Pinner, Middx. (01-888 0024).

Made from extruded aluminium, the sinks are designated 650 and 661 and have transverse dimensions of 1.25 and 1.5 inches respectively, allowing an orientation for maximum heat dissipation during natural or forced convection. They are mounted to the dual-in-line packages using thermally conductive electrically isolating epoxy adhesive, also available from Dage.

The heat sinks, supplied normally in 1-inch lengths, will allow the requirements that plastic packages be maintained at 50 to 70 degrees C and ceramics at 100 to 125 degrees C to be met more easily and at the same time allow a more flexible choice of circuit.

COMPONENTS

Transducers at high pressure

A LONG stroke displacement transducer able to stand pressures on its case up to 100 bar (1,500 psi) and ceramics at 100 to 125 degrees C to be met more easily and at the same time allow a more flexible choice of circuit.

The transducer, which can be used even when completely submerged in fluids has been introduced by Sangamo Weston Controls of North Bersted, Bognor Regis, Sussex (Bognor 2501).

Suitable for a wide range of industrial, processing and research applications, type NFH (HP) transducers are available in two sizes with strokes of 1.25 and 1.5 inches, and have stainless steel cases completely sealed by electron beam welding.

The peak value required to trigger this signal is adjustable between 100 micromps and one millamp, and the warning signal is repeated at a socket into which a counter may be connected.

Insulation breakdown in the form of momentary flashover is signalled by means of a warning lamp which comes on after two seconds even though the breakdown may have lasted for only one millisecond.

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NORTH SEA OIL

Lloyd's appraise oil rig

DESIGNS FOR a dynamically positioned column stabilised semi-submersible drilling platform, prepared by Forex Neptune, submitted plans and criteria to Lloyd's Register for approval in principle of main scantlings and engineering equipment. This means that when the first unit is ordered it will conform to the requirements of Lloyd's Register Classification and with existing U.K. Government offshore regulations. The unit will also be eligible for Certification by

Lloyd's Register acting as a Certifying Authority on behalf of the U.K. Government.

The "Dynamat," the basic design consists of a multi-decked upper hull with integral box girders mounted on the top of three cylindrical buoyancy columns each side, which are structurally continuous through the deck of the two pontoons.

Tubular bracing is used. The upper hull supports a 150 foot high drilling derrick and an integral helicopter platform. In transit trim, the rig will displace 16,700 tons. For temporary mooring there are two conventional winches in the forward, port and starboard columns.

Main propulsion will be by four controllable pitch nozzles

INSTRUMENTS

Checks the insulation

HIGH VOLTAGE insulation testing in the dc or ac mode is possible, with model RM215-L/2 recently launched by Avo, Archcliffe Road, Dover, Kent (0304 202620).

Testing voltage is continuously variable between 0 and 12 Kv on dc, 0 to 6 Kv on ac. Although the source impedance is low the current delivered on test is limited to less than 10 mA. In the ac mode the leakage current measured is the in-phase component although the total value can be registered if required.

For ionisation testing the unit is equipped with a loudspeaker so that the ionisation taking place before breakdown can be heard.

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Subsequent readings in the same range however, are obtained in less than one second.

The instrument measures capacitance by measuring charge time to a given voltage (less than 5v) when current is fed through a precision resistor. Since the measurement voltage is polarised, the instrument can be used with electrolytic capacitors. The unit's dimensions are 290 x 250 x 130 and the weight 4.6 kg.

Turbine meter

A VERY small turbine with tungsten carbide/sapphire bearings is the basis of a flow meter able to indicate between 20 litres per minute and one drop every 11 seconds.

Offered by Litre Meter, Ryelands, Cranwood, Northwood, Middx (02406 2235) the unit measures flow by electronically counting turbine revolutions as precise pulses and recording them on a separate read-out. Three bodies cover the total flow range and the electronics for analogue indication are built in, using being made of integrated circuits and CMOS technology.

Output is 0 to 1 mA analogue, and only an appropriate moving coil meter needs to be connected. The transmitter also provides a pulse output and to this can be connected a rate meter and other batching and totalling units by the company. A glass-filled nylon body is used and the transmitter can be used with a wide variety of liquids.

Accuracy is ± 1 per cent of full scale flow, as is linearity, for the digital output, rising to 2 to 4 per cent, for the analogue channel.

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STEEL BARS AND SECTIONS

RELIABLE SERVICE in times of scarcity and plenty

GKN(South Wales) Ltd.

A member of GKN Refractories and Bright Steel Ltd.

Cable Works, Cardiff CF1 1TL

0222-33033

POLLUTION

Controls exhaust steam

AN EXHAUST head has been developed for fitting to boiler outlet pipes to deaden the noise of escaping flash steam and to catch any moisture or grease.

Fitted with large internal baffles to avoid back pressure, it enables steam to be discharged to atmosphere without damaging roofs and walls, or the clothes of passers-by. It can be used on boiler safety valve discharge pipes, as well as when boiler tubes are being "blown down" with steam. Pipework connections range from 1 and 18 inches.

The head is made by Curwen and Newbury, Westcroft Works, Alford Street, Westbury, Wilts. BA15 3DZ, (0378 823445).

This company, which makes heat regenerators, has also developed a "light weight" heat exchanger which is non-toxic and contains no asbestos. It can be fitted into an aluminium or steel rotor with chain or belt drive as used in conventional regenerators. Efficiency for total heat enthalpy is said to be 75 per cent. The material is stated to remain bonded without distortion in saturated air conditions, and to be self draining.

The company is also marketing the Z-Duct heat recovery unit, made in the U.S. This plate heat exchanger consists of a folded, compact, light weight unit with no moving parts. It is installed in ducted systems, dividing the duct into two separate but intermeshed passages. The opposing air streams are brought into close proximity and although heat is exchanged there is no possibility of cross contamination, says the company.

The heat transfer surface can be of aluminium or stainless steel. Modules can be made up from 1000cfm units to a maximum of 10,000 cfm.

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Linwood stewards 'ready for talks'

By Chris Baur

SHOP STEWARDS at Chrysler U.K.'s Scottish car plant at Linwood decided yesterday that while the company's proposals on employee participation did not "measure up to our expectations" they were prepared to have discussions in an effort to solve the problems.

The decision brings Linwood broadly into line with the company's Stoke and Ryton plants, Coventry. Both these have now decided to accept the proposals in principle and to negotiate on the details.

The Linwood stewards have adopted much the same stance as their colleagues at Stoke, and are objecting to two aspects of the company's plan, which involves worker representation on local and national joint committees and two seats on the main Board.

FINANCIAL TIMES REPORT

Friday August 29 1975

AUSTRIAN INDUSTRIAL DEVELOPMENT

While Austria has not escaped the world trade recession, inflation and unemployment have both been held at low levels. Imbalances in regional development are being vigorously combated at Federal, Länder and local level.

Stable base for growth

THE THREE DECADES of the Second Republic of Austria provide convincing proof that the "Austrian miracle" was not less significant than the economic re-birth of West Germany; in terms of starting levels even greater: Gross National Product per head in 1973 was 3.6 times higher than in 1937. The rate of growth of the real GNP at 4.4 per cent. last year was twice as high as the average for OECD Europe. More important still, the gap between Austria and the more developed West European countries has been practically eliminated.

Addressing Parliament before the summer recess, Chancellor Kreisky announced that in 1938 the per head GNP in what is now OECD Europe was 63 per cent. higher than in Austria. By 1973 this had been reversed and Austria was ahead by 4 per cent. and last year this figure had grown to a formidable 14 per cent. higher than the OECD average. Though still lagging behind neighbouring Switzerland and West Germany, there is no doubt that on the whole since World War II the performance of the Austrian economy has been impressive.

Partnership

For foreign and domestic investors this growth is even more significant: viewed against the international background of unrest and social tensions, Austria is almost a model of domestic peace. This in turn is primarily due to the unique system of social partnership, the permanent and largely successful search for agreed solutions by the representative organisations of labour, industry and the farmers.

But a country of 7.5m. inhabitants with a 34 per cent. export-import element in the GNP cannot remain isolated from a severe world-wide recession. Since the third quarter of 1974 Austria's longest post-war boom cycle with an annual growth rate of 6 per cent. has come to an end and the latest forecasts indicate that economic activity this year may be only marginally above zero growth. Nevertheless, as the latest OECD annual review points out, Austria has absorbed the external price shocks remarkably well with the rate of inflation (9.5 per cent. in 1974) well below the OECD average. Despite the slackening of demand, the rate of registered unemployment in July this year was a mere 1.3 per cent. and the number of gainfully employed rose by 24,000 to an all-time peak of 2.57m. Faced with general elections next October, Government spokesmen tend to play down the fact that the employment situation has been influenced by such factors as the introduction of a shorter work week as from January 1975; a substantial fall in overtime work; and last but not least the departure of 34,000 foreign workers—a 15 per cent. fall in total.

The spectre of a recession in this growth, and stability conscious country is bound to strengthen pressures for co-operation not only between the social partners but also the political parties. An appeal for closing the ranks in the form of resurrecting the coalition government which ruled Austria until 1966 is in fact the main slogan in the electoral campaign of the opposition People's Party. Regardless of the outcome of the elections, neutral Austria is certain to remain a country of political stability and labour peace with one of the strongest currencies in Europe.

In addition to this general background, a powerful combination of federal, regional and

local incentives provides the basis for a new drive to promote industrial expansion and regional development in selected areas. A bulky handbook for foreign investors, just published by the Ministry of Trade, lists a wide variety of investment incentives offered by the Federal Government and the nine Länder, or State Governments. A leaflet on "Investing in Austria," issued last year by the Girozentrale, the central institute of the Austrian savings banks, gives details of 18 different forms of federal loans at preferential rates available to companies investing in new or improved facilities.

The system of incentives and the efforts to attract foreign capital belong to what Secretary of State, Dr. Ernst Eugen Veselsky, of the Federal Chancery, called an "attacking regional development strategy" in his introduction to last year's OECD report on the "Salient Features of Regional Development Policy in Austria." It has been recognised that regional inequalities cannot be smoothed out, let alone eliminated without heavy injections of Federal and Länder funds. Apart from the special problem of mountain regions affecting 142,000 farms or every third agricultural unit, the areas bordering on Czechoslovakia and Hungary (parts of Upper and Lower Austria and the Burgenland) and old industrial areas in decline (for example Upper Styria) are a prime source of concern and the object of special incentives to attract industrial investment.

According to Government statistics, annual expenditures by different institutions at the Federal level, excluding export credits, spent on promoting regional industrial development totalled over Sch.10bn. (about £270m.). The European Recovery Programme (ERP), with an annual budget to the tune of Sch.2.4bn. in 1973/74 of which Sch.750m. was earmarked for industry, Sch.150m. for tourism and Sch.200m. for agriculture, is the main instrument to provide help through the medium of subsidised credit at the national level. Three categories of loans (over Sch.500,000, between Sch.100,000 to Sch.500,000 and between Sch.10,000 to Sch.100,000) are available at a rate of 5 per cent. per annum for five years for investment in machinery and for ten years in building. For projects which provide alternative employment for coal miners or generate new jobs in Eastern border regions, special 15-year loans are available at an interest rate of only one per cent. per annum for the first five years and at 5 per cent. for the remaining years, including five years free of redemption. In the financial year 1973/74, Sch.200m. was allotted for this special programme. As up to 75 per cent. of the initial capital costs can be provided from the ERP fund, such a special credit can make a great difference to a new industrial venture.

Capital

Companies can also apply to a number of other special institutions for preferential loans. Thus up to 12- and in some cases 20-year credits at 7.25 per cent. are available from the Kommunalkredit for purchasing and developing industrial property in assisted areas. There is no upper limit to the size of the credit and the developer or investor can obtain up to 67 per cent. of its initial capital requirements from this institution. Founded in 1958, the Kommunalkredit, whose shares are held by banks, insurance companies and the nine mortgage banks of the Länder has so far provided Sch.1.25bn. of loans.

A number of other specialised institutions finance and promote industrial investment by small and medium-sized firms as well as the development of tourism. The Guarantee Fund of the Credit Programme for Small Industries (Bürgers-Kredit-Fonds) of the Ministry of Trade, for example not only underwrites credits of up to Sch.200,000 but also provides interest relief grants of three per cent. for five years. Under the Business Structure Improvement Act of 1969, 5 per cent. of the annual intake from the Federal tax on industry and trade is

available for interest relief grant of up to 3 per cent. (in special cases up to 5 per cent.) for five years. Furthermore, loans up to Sch.2.5m. at a preferential rate of 8 per cent. per annum for five years may be provided. Loans under the Bürgerskreditfund totalled Sch.5.7bn. between 1955-1973 while credits under the Business Structure Improvement Act of 1969 reached Sch.1.65bn. by the end of 1973.

The point of the matter is, however, that an investor in Austria is also eligible for substantial grants and other

THIS REPORT WAS WRITTEN BY
PAUL LENDVAI, VIENNA CORRESPONDENT

forms of assistance from the individual industrialist in regional and municipal authorities. Austria are among the highest if investments are under-available. The Länder, taken in what is called a particularly the States with "problem areas." Though there are no exact figures available, where a traditional key industry is in decline offer com- there is reason to believe that the OECD Working Party was shown in later articles of the Survey. The local authorities at the municipal level have until

recently been competing with one another in providing quality sites practically free of charge in addition to cash grants and the provision of water, electricity and other services. With the federal and most provincial State budgets heavily in deficit, piecemeal development efforts, often subordinated to local electoral considerations are likely to be scrutinised more closely. As far as foreign investors are concerned, Austria's pragmatic and moderate Socialist Government has not changed the "open-door policy" to-

wards foreign capital. The fact that the nationalised industries account for one-fifth of the net industrial output, dominating the basic industries and large segments of the heavy and electrical engineering sector provides an appropriate counter-weight to what some Leftist economists regard as an unduly large foreign stake in the domestic industry, primarily in the electrical and chemical industries as well as in the insurance and transport sectors.

The end to the overheating of the economy also led to a

relaxation of the credit squeeze, and a partial return to the liberalisation of capital transactions, suspended at the end of 1972. Since June 20 this year, the Nationalbank again automatically grants permits for the import of capital, including the purchase of property and direct investment in industry and trade, except construction. In view of the manifold incentives and facilities offered to industrial developers, any marked revival of international economic activity is also bound to give a push to demand for industrial investment.



Austria isn't all Milk and Honey, but it can offer a great deal:

a strong currency,
social stability,
a situation of full employment.

Co-operation with foreign enterprises has contributed greatly to the economic upswing in Austria since the Fifties. Consequently, foreign investments are still very welcome. If you want to establish relations with Austrian business, or plan to open a subsidiary there, make CA* your first call. We'll tell you all you ought to know and give you a hand in finding the right partner.



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AUSTRIAN INDUSTRIAL DEVELOPMENT II

Schoellerbank-Partnerbank

Regional inequalities

A COMBINATION of geographical, historical and political factors has produced relatively large problem regions. Austria is one of the "great powers" in European tourism, and few, if any, of the millions of holidaymakers realise that, for example, 1.1m. people or 15 per cent of the population live in areas bordering on Czechoslovakia, Hungary and Yugoslavia with lower living standards and less developed infrastructure than in the rest of the country.

World War II and the cold war period, accentuated by the Soviet occupation of the eastern regions until 1955 not only retarded economic growth but also cut off manufacturing and commercial centres as well as agricultural producers from their traditional markets and trading partners in the Communist East. Neither the gradual normalisation of relations with the Communist neighbours nor the general relaxation of tensions in Central Europe could change the basic fact that these frontiers with Czechoslovakia and Hungary basically remained "dead borders."

Shift

Areas such as Mühlviertel, a part of Upper Austria which is north of the Danube, the Waldviertel and Weinviertel in the northern part of Lower Austria, the whole of Burgenland and parts of Eastern Styria and south-east Carinthia have been badly hit by the general westward shift in economic activities and population changes. Thus the share of eastern Austria (the three Länder: Vienna, Lower Austria and Burgenland) in the total GNP fell from 65.9 per cent in 1952 to 64.5 per cent in 1961 and 62.3 per cent in 1970. While between 1910 and 1971 total population rose from 6.6m. to 7.4m., the three Eastern Länder lost more than half a million people or 14 per cent of their former peak population.

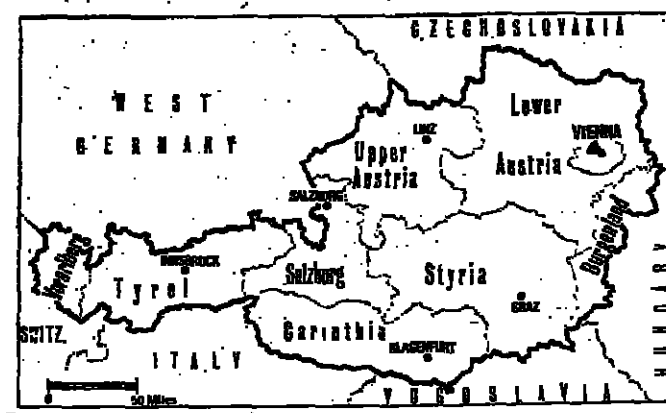
Industry is mainly concentrated in central areas comprising (in 1961) only 14 per cent of the territory but 75 per cent of employment in the production of material goods and 57 per cent of the population. By contrast, due to their marginal location the eastern regions encountered difficulties in attracting modern productive facilities. The lack of alternative employment opportunities was reflected in the fact that between 1955 and 1965 only one in every 10 persons leaving agriculture found employment in the newly established industries in agricultural areas.

The areas bordering on Western Germany and Switzerland face a completely different set of problems. The pull of higher wage rates has exerted powerful influences on the labour market, contributing to the labour shortage and increasing the number of migrant workers and commuters. This in turn has encouraged both rationalisation and the employment of foreign labour in the western regions of Salzburg, Tyrol and Vorarlberg.

The scenic beauties in a country with six-tenths of the territory in the Alpine massif and 40 per cent at an altitude above 1,000 metres attract an increasing number of tourists but at the same time pose major problems for farming and forestry. According to figures for 1970, 37 per cent of the 382,000 agricultural and forestry enterprises are classified as mountain farms. Though tourism has become the main source of income in many areas, the abandonment of mountain farms (during the last two decades 15 per cent of farms disappeared in the Upper Alpine areas) poses a long term threat to the environment, the ecological balance and in the final analysis also to tourism.

Since 1970/71 special subsidies are provided for mountain farms and there has been some progress towards better coordination of Federal, Länder and local assistance available to mountain farmers. Special difficulties are faced by the regions where a key industry such as coal mining is in decline and job opportunities through diversification are urgently needed. Iron and metal, paper and pulp industries have also been affected by structural difficulties. Upper Styria is the old industrial area most seriously hit by a combination of geographical, natural and economic disadvantages. But it is in this region that the first model of a truly co-operative effort has been undertaken by the Federal Government, the Land of Styria and the local authorities to generate new jobs and to launch a sound industrialisation policy.

Not surprisingly regional imbalances have always been reflected in the unemployment figures. Though Austria is a



country with a minimal level of unemployment, compared to other West European countries, there are great regional differences. Thus in 1972 for example, the annual nation-wide average was 1.9 per cent, but Burgenland reported 5 per cent, and Lower Austria 2.5 per cent. In the same year when the peak national average was 3.2 per cent, that of Burgenland was 14.6 per cent, of Styria 4 per cent and of Carinthia 8 per cent. Chancellor Kreisky's Government since 1970 has rapidly increased the budgetary funds available for active-labour market policy measures from Sch.188m. in 1970 to Sch.750m. last year and the 1975 Budget envisages employment promo-

tion expenditures to the tune of Sch.680m.

As noted by the OECD working party's 1974 report, Austrian regional development policy is co-ordinated with the basic problem of how to find the right balance between economic efficiency and growth of regional equity, in population distribution and between development and environmental protection. There is no doubt that the need for a co-ordinated regional policy was really recognised only in the 1970s. The 1950s were the years of all-out economic growth while the next decade was already the period of growing emphasis on the regional aspects. However, despite the establishment of a Committee of Ministers on Regional Planning in 1965, headed by the Federal Chancellor, the breakthrough occurred only in February 1971 when the Federal Chancellor, Dr. Bruno Kreisky, took the initiative in establishing the Austrian Conference on Regional Planning (Österreichische Raumordnungskonferenz) for drawing up a co-ordinated concept for regional development policy. In the same year, the Bureau of Regional Planning was established in the Federal Chancellery with the task of preparing Federal Cabinet

Conflicts

In a federal State of nine Länder the progress towards a sound structure of regional development will always be influenced by conflicts between Länder and regional lobbies which in turn are generally coloured by political differences. Thus at the moment, the choice of three provincial Länder governments (Vienna, Carinthia and Burgenland) are Socialists while the governors of six other Länder belong to the People's Party which is now the main opposition party in the Federal Parliament. Thus the Socialists' policies of their comrades in the Federal Government in power since 1970 and the same consideration guided the actions of the People's Party leaders in the provinces in the past when the conservatives led the

Vienna's changing face

A VISITOR to Vienna these days may well encounter a maze of blocked streets and vast building sites in the heart of the "Austrian capital" before being able to reach and admire the beauties of the Hofburg complex or the magnificent Belvedere Palaces. The city has embarked on a number of vast projects which involve the construction of the so-called UN city, which will provide office space by 1978 for some 4,500 international civil servants and conference facilities for two UN organisations. Tunnels and stations are being built for the new Vienna underground which is due to open in 1977, an ambitious flood protection project is being undertaken on the Danube and the largest hospital complex in Austria is under construction.

The Mayor of Vienna, Mr. Leopold Gratz, proudly claimed in a recent statement that the major projects now in progress could be compared in size only to the stormy developments of the last third of the 19th century. The opposition spokesmen in the city council, however, maintain that the projects are partly over-ambitious and partly badly managed, thus placing an unbearable strain both on the city's finances and the patience of its 1.6m. inhabitants.

But no one to-day can accuse the city authorities of being idle or passive in the face of new challenges. It should not be forgotten that present-day Vienna is the result of the collapse of the Austro-Hungarian Empire which transformed the 2m. cosmopolitan capital of a great empire with 52m. people into a city on the eastern fringe of a curiously shaped landlocked country, still accounting for over one-fifth of the Austrian population.

Of Vienna-Lower Austria since 1967, narrow-minded political and regional considerations have still prevented effective co-operation in policies for regional planning, the economy and labour.

Though in the 1960s Vienna's relative position compared to the average Austrian economic growth steadily deteriorated, the capital is still not only the country's administrative, banking and commercial centre but also a major manufacturing city. Thus Vienna accounted for 28 per cent of the Austrian GNP in 1972 and Vienna-based companies turn out almost 30 per cent of the food and beverages, over half of the electrical goods, 26 per cent of the clothing and between 23 and 24 per cent of the chemicals and machinery manufactured in Austria.

During the past 20 years Vienna has begun to fulfil its traditional function as an international meeting place and as a contact point with Eastern Europe. About 300 foreign firms, including 100 U.S. companies, have set up subsidiaries

in Vienna, mainly looking after their East European operations from Vienna. According to figures released by the National Bank, 72 per cent of the foreign companies active in Austria have their headquarters in Vienna with Vienna-based plants accounting for 53 per cent of those employed by foreign-owned firms.

Demand

One of the most important instruments to generate and to satisfy demand for good quality industrial investment is WIBAG (Wiener Betriebsansiedlungsgesellschaft), the municipal industrial siting corporation. Between March 1969 and December 1974 it helped to set up or to re-settle 107 manufacturing and trade companies, involving investments made or planned to the tune of Sch.3.4 bn. (about £58m.) by the firms and creating 10,560 new jobs, below the national average. At the same time, unemployment and seasonal unemployment rates were the highest. In 1972 the average rate (5 per cent) of unemployment in Burgenland was two and a half times higher than the figure for Austria as a whole and in the peak period the rate was 14.6 per cent, or more than four times than the national average.

Meanwhile commuting has to some extent grown to replace the rural exodus and emigration. Attracted mainly by higher wages in the booming building industry in and around Vienna, one in four gainfully employed persons in 1971 was commuting to his working place outside Burgenland. Taking into account those who commute to places within the province, commuters already account for half of the 52,000 wage and salary earners.

The Provincial Government, the Departments of Labour, Economy and Agriculture, and the trade unions lost no time after the end in 1955 of the ten-year Soviet occupation to launch a co-ordinated drive for industrial expansion and regional development. Between 1958 and 1965 the Association for the Promotion of the Economy of Burgenland attracted about 150 new factories to the province, thus generating about 9,000 new jobs. Between 1961 and 1965, for example, industrial employment was growing at an annual rate of 10 per cent. But 76 per cent of the jobs were provided for women, mainly in the textile and food industries, and only 6 per cent were classified as jobs for skilled male labour.

Unilever, Hoechst, Philips, ITT and Sandvik, alone accounted for 44 per cent of the investments and 27 per cent of the new employment.

The latest industrial estate at Stadlau was converted from an old factory into a manufacturing, distributing and warehousing complex and opened by the city councillor for finance and economy, Mr. Hans Mayr, in April this year. At an investment cost of Sch.71m., the industrial estate has provided 275 new jobs. Including ten further companies attracted to the development areas this year, WIBAG has helped to develop 1.3m. square metres of industrial property. It was system of interest relief grants announced recently that a might be replaced by investment premiums.

Vienna's importance as a Danubian centre will be enhanced by the Rhine-Main-Danube waterway, scheduled to be completed by 1981. The existence of a link between Western and south-east Europe from the North Sea to the Black Sea will make Vienna more than ever a focal point of East-West trade.

certed promotion of industrial investments. The Investors' Handbook on Vienna contains five pages detailing a wide variety of interest-free or preferential investment credits. Under the special credit scheme for developers, the city of Vienna grants, for example, 25 year credits starting at the city councillor for finance and economy, Mr. Hans Mayr, in April this year. At an investment cost of Sch.71m., the industrial estate has provided 275 new jobs. Including ten further companies attracted to the development areas this year, WIBAG has helped to develop 1.3m. square metres of industrial property. It was system of interest relief grants announced recently that a might be replaced by investment premiums.

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Aid for Burgenland

AUSTRIA's youngest, poorest and in many ways most romantic region is the easternmost province of Burgenland, a small area of a mere 4,000 square kilometres forming a curiously shaped link between the Alps and the Pannonian lowlands, and this erstwhile and mainly German speaking frontier region of Hungary became part of Austria only in 1921 after the collapse of the Austro-Hungarian Empire and in accordance with the Treaty of St. Germain. Its main urban centres—Sopron and Szombathely—remained in Hungary and the city of Eisenstadt became the provincial capital only in 1926.

Since time immemorial Burgenland has suffered from a high rate of emigration. The structural deficiencies of this primarily agricultural fringe area have been accentuated by the handicap of an excessively long border which interrupts the natural west-east communication axes. Furthermore, the extremely narrow configuration of the region with a length from north to south of about 150 km but an average width of only about 30 km (at its narrowest a mere 4.5 km) has rendered the provision of communication and transport facilities difficult and costly.

With a population of just over 270,000, Burgenland accounts for 3.6 per cent of the total population. The problems involved in industrialisation and urbanisation can only be understood if it is borne in mind that in 1934 55 per cent of the active population was engaged in agriculture and that even today the proportion of the gainfully employed persons in farming remains at 26.6 per cent—twice as high as the national average.

The creation of new jobs was recently described by Mr. Robert Graf, President of the Department of Economy, as the most critical problem and he added that it will take at least

one generation to solve it. Postwar developments seem to confirm this pessimistic forecast. Average per capita income in Burgenland is still the lowest in Austria. In 1971 for example, the per capita GNP in the province was 43 per cent below the national average. At the same time, unemployment and seasonal unemployment rates were the highest. In 1972 the average rate (5 per cent) of unemployment in Burgenland was two and a half times higher than the figure for Austria as a whole and in the peak period the rate was 14.6 per cent, or more than four times than the national average.

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This in turn strengthened the unfavourable employment structure of the small local industry. In Burgenland 60 per cent of workers in industry are women, while in Austrian industry as a whole the proportion is only 34 per cent.

Exhaustion of the reserves of female labour and the growth of commuting continued to convince the regional authorities that a new approach was needed to transform the economic climate by attracting newer and faster growing types of industry. In view of the successful efforts made by other and more favourably located regions, it was realised that new incentives were needed to win modern productive facilities.

The previous Association was replaced in July 1973, by a new industrial siting corporation, called Burgenländische Industrie- und Betriebsansiedlungsgesellschaft, which with stronger financial resources is better equipped to draw up a sensible regional development policy, promote industrial development, develop quality sites and find prospective users. However, the best management is powerless without appropriate regional and local incentives. The Provincial Diet in July 1973, brought in an Economic Promotion Act providing for a system of guarantees and interest subsidies to be extended to industrial investors and communes.

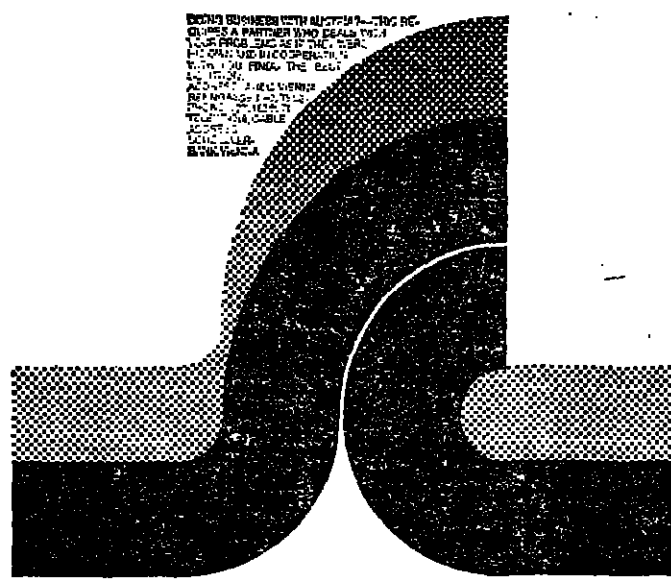
Grant

In addition to existing federal and regional assistance, the region may now give an interest relief grant for 4 per cent for periods up to ten years for loans of up to Sch.10m. provided the investor can put up at least one-third of the total capital cost. Subsidies may also be provided for the modernisation and rationalisation of existing plants, and not only for new

projects to create employment. For the development of industrial sites, local authorities may be given a cash grant of up to Sch.500,000. The Provincial Government is also empowered to grant the communes interest-free loans of up to Sch.1m. for periods up to ten years to enable them to develop industrial sites and to establish productive facilities.

It is claimed that the Burgenland Development Corporation between mid-1973 and the end of 1974 attracted 11 companies to the province, generating 700 new jobs. The end of the Austrian economic boom and the stagnation in capital spending, coupled with inflationary pressures, have of course dampened the enthusiasm of developers. It is more than over true that the least attractive fringe regions have to sell the hardest to win new industry and commerce. The Provincial Government, headed by Mr. Theodor Kery, has grasped the long-term importance of investment in infrastructure, roadbuilding and last but not least, in schools. So far Burgenland has managed to combine the modest scale of industrialisation with an exemplary protection of the environment and natural amenities.

This eastern border region still reflects somehow the memories of the former multinational Austrian Empire with its compact Croat and Hungarian-speaking communities in certain areas. At the recent opening of a cultural centre, Mr. Kery related that the papers of a soldier in the town of Güssing around 1910 contained the following note: "Speaks three languages: Hungarian, Croatian and German. Cannot read or write." While in 1921 there was only one secondary school in the province, the grandchild of the illiterate and multilingual soldier can now choose between two dozen secondary and vocational schools.



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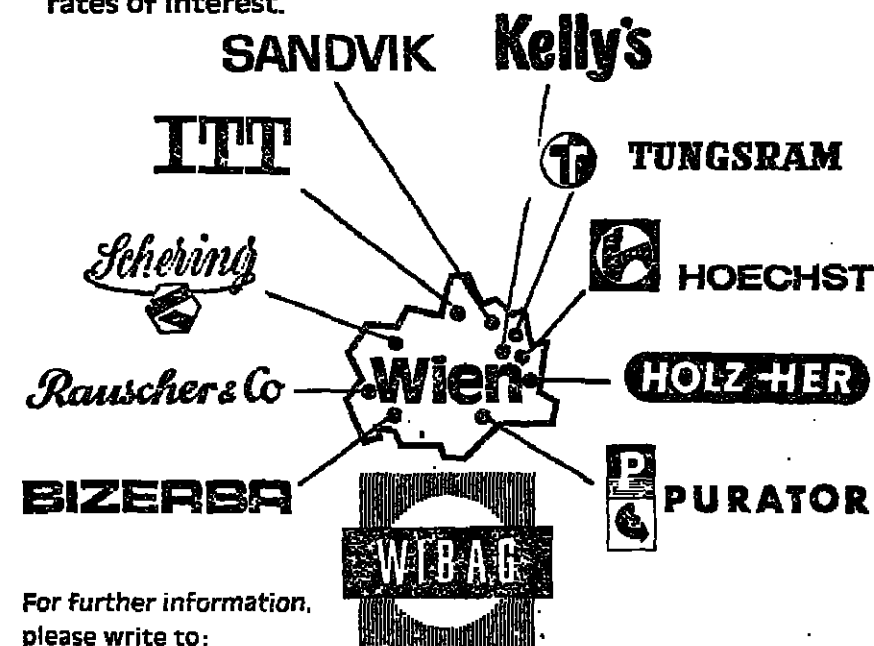
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AUSTRIAN INDUSTRIAL DEVELOPMENT III

New funds for Lower Austria

EVERY FIFTH Austrian lives in Lower Austria, yet this is the only Land—the largest of the nine Länder—which has no provincial capital. Together with Vienna and Burgenland, it constitutes the so-called eastern region. While Vienna is both a Land and an urban centre and at the same time the Federal

capital, Lower Austria must be seen as a kind of hinterland where none of the much smaller cities (the largest has merely 50,000 inhabitants) is suitable as a provincial capital. Thus the seat of the State Government is in Vienna. To these natural differences, stemming from the different administrative structure, must be added the tradi-

tional and always latent political conflict between "red" Vienna where the Socialists captured 80 per cent of the votes at the last municipal poll, and the "black" Lower Austria, where the conservative People's Party enjoys a comfortable absolute majority.

In view of this, the setting up of a joint, centrally and locally financed development corporation earlier this summer must be regarded as a major step forward. Called Niederösterreich - Grenzlandförderungs-gesellschaft, it will concentrate on economic promotion and industrialisation of the border regions along the 414 km. long frontier with Czechoslovakia. The Federal Government and the Land Lower Austria each put up Sch.10m. of the basic capital needed. The corporation will combine industrial and development planning with the provision of sites and the development of industrial estates.

Though 70 per cent of the damage caused to the Austrian industry by the Second World War was in Lower Austria and despite the administration of 250 factories by the Soviet occupation

authorities between 1945-55, the area has made impressive strides in industrialisation and modernisation. Thus the share of agriculture and forestry in the region's total production dropped from 18.5 per cent. in 1964 to an estimated 10 per cent last year. During the same period industrial output was doubled, accounting already for 35 per cent of the region's production and for 22.5 per cent of Austria's aggregate industrial production.

Pull

Three factors appear to have played a major role in promoting industrialisation, the general economic boom, large investments made by the major nationalised oil and chemicals companies and the pull exerted by the expansion of industry around Vienna. Yet at the same time the existence of many small and medium-sized plants, combined with a far from optimal structure of industry (oil, chemicals and textiles together with food and beverages) makes Lower Austria especially vulnerable in a period

of slower growth or recession.

There is a growing danger of sharpening regional disproportions within the province. Since last year, according to Chamber of Commerce figures, very few companies established new production facilities in the areas which are primarily in need of new industries. The largest industrial estate, Industriezentrum NÖ-Stdt., for example, with 42 factories and 3,000 jobs is located only 7 km. south of Vienna.

A combination of federal, regional and local incentives and subsidies is necessary to compensate companies for the disadvantages involved in being near to the "dead border" with Czechoslovakia. The first success was achieved in April this year when the Lower Austrian Industrial Siting Corporation announced the opening of a cable plant in Pöysdorf as part of a projected industrial estate. An Austrian producer, Gebauer and Griller set up a production subsidiary with an initial staff of 50 which is to be increased later to 300.

It was the first time that a plant in the border region was

established through the combined efforts of the commune which provided the site of 10 acres. The Land granted an employment premium in the form of a capital grant of Sch.20,000 per job and created larger slice of regional aid as well as an interest-relief subsidy. The Lower Austrian Development Corporation took care of the provision of water, electricity and other services and last but not least the Federal authorities provided a favourable loan under the ERF special programme.

Loans

The Federal authorities allocated for the years 1973-74 and 1974-75 a credit of Sch.100m. each year from the ERF funds which can only be utilised for projects generating employment in the border areas. The term of such loans is for a maximum of 15 years, of which the first five years are free of redemption. The rate of interest is fixed at 1 per cent for the first five years and 5 per cent for the rest of the period. Further assistance is given in the form of six training and retraining centres, special credits for the promotion of

tourism, education and for the competition for available labour, hitting primarily the border regions. Furthermore, the Land complains that the Federal assistance is far from sufficient. They press for a

larger slice of regional aid efforts, and for a faster construction of motorways and good roads. As far as regional incentives are concerned, these include a variety of programmes providing subsidised or cheap capital reinforced by a loan guarantee, employment premium and interest relief grant system. Thus investors or developers in underdeveloped areas are eligible for interest relief grants of 5 per cent. for six years in case of loans of up to Sch.1m. In the border regions, capital grants ranging from Sch.10,000 to Sch.20,000 are available for each job created and provided uninterrupted employment during one year is proved. The premium is also granted for new jobs if foreign labour is employed.

Nevertheless it is feared that that slow population growth and the high number of elderly people in Lower Austria will gradually lead to labour shortage which in turn will sharpen the competition for available labour, hitting primarily the border regions. Furthermore, the Land complains that the Federal assistance is far from sufficient. They press for a larger slice of regional aid efforts, and for a faster construction of motorways and good roads. As far as regional incentives are concerned, these include a variety of programmes providing subsidised or cheap capital reinforced by a loan guarantee, employment premium and interest relief grant system. Thus investors or developers in underdeveloped areas are eligible for interest relief grants of 5 per cent. for six years in case of loans of up to Sch.1m. In the border regions, capital grants ranging from Sch.10,000 to Sch.20,000 are available for each job created and provided uninterrupted employment during one year is proved. The premium is also granted for new jobs if foreign labour is employed.

Thus there is still a long way to go before Lower Austria with a per head GNP in 1971 14 per cent. below the national average, can catch up with the more developed Länder. The pace will not only depend on the size of investment allowances and tax advantages granted to domestic and foreign entrepreneurs but also on the willingness to co-operate with neighbouring Vienna and Burgenland in forging a sensible development concept for the entire eastern region.

Model for planning

WHENEVER AUSTRIAN officials discuss the need for sound regional planning, involving the promotion of good quality industrial investments, the so-called Aichfeld-Murboden project is mentioned as a model for successful co-operation of Federal Länder and local authorities in regional development policy. The project originally arose from the chronic and increasing deficit run by the nationalised Fohnsdorfer brown coal mine (to-day part of the Voest-Alpine steel conglomerate). Styria, the second largest Land accounting for almost 20 per cent of the total Austrian territory and 16 per cent of the population has long been a pacemaker in launching partnership schemes in which regional and local authorities joined forces with industrial developers, including some well-known foreign companies.

The Aichfeld-Murboden programme involved not just a depressed older industrial area in need of newer and faster growing types of industry, but also an important enterprise of the largest nationalised company, the Voest-Alpine Montan AG. In fact, one-third of the industrial labour force in Styria works for the nationalised sector. The Fohnsdorfer lignite mine with an annual deficit rising to Sch.80m. in 1972 and production staff falling between 1960-1972 from over 2,000 to 1,394, has for years constituted a crucial problem for the regional and Federal Governments.

The problems affecting Fohnsdorf could not be solved by the parent company or the regional authorities alone, since they were intimately connected with the difficulties of an area consisting of 17 communities with some 63,000 inhabitants. The local authorities set up the Aichfeld-Murboden Regional Planning and Economic Promotion Association which together with the Styrian Government commissioned the Austrian Institute of Regional and Urban Planning to draft a regional plan. The entire Aichfeld-Murboden region suffered from an excessive concentration in mining, ironworks, paper plants, that is industries in the throes of structural difficulties, coupled with a steady decline in employment, the absence of modern industries and unfavourable transport, housing and environmental conditions.

Efforts

On the initiative of Chancellor Kreisky, the Committee of Ministers for Regional Planning and the Styrian and the local authorities, the Aichfeld-Murboden Association in April, 1971 began a co-operative venture in comprehensive regional planning and a set of proposals was finally adopted in March, 1972. The measures included special efforts at all levels to assist existing industries and new industrial investment. One visible result was the recent opening of a production subsidiary of the German Bau-nicht Electric Corporation at Spielberg. This already provides 650 jobs and it plans eventually to employ 1,500. Siemens, the giant German electrical engineering concern, also opened a training centre in the area. A special housing programme should provide 750 homes with 70 per cent of the funds allotted by the Federal Government. A number of vocational and business schools will be opened at Zeitweg, Fohnsdorf and Judenberg. Road and rail connections are being improved. In all, 1,800 new jobs will be generated, with special emphasis on creating jobs for women since the female employment ratio here is far below national levels.

It remains to be seen how far the Aichfeld-Murboden model can be applied to other regions since, as noted by the OECD working party in its

report on Austrian regional planning, "The project was directed towards a relatively small area (120 square kilometres) with a specific set of problems." These were reflected for example, in the predominance of seven large plants which account for 80 per cent of the 8,800 industrial employees. While the former Oesterreichisch Alpine Montan (now Voest-Alpine) provides 55 per cent of the industrial jobs in the region, Styria, the second largest Land, is characterised by small and medium-sized companies. Only 28 plants have a production staff of over 500, while two-thirds of all companies have less than 50 employees and one-third operates with fewer than ten. The head of the Länder Government, Dr. Friedrich Niederl, and the most dynamic member of the Government, Dr. Josef Krainer, told me that the Styrian Government since 1967 has spent in all Sch.1.6bn. to generate 12,700 new jobs and to save another 1,893. The Lion's share, with Sch.1.3bn., went to 313 industrial companies.

Risks

The two officials made no secret of the fact that the pattering but of the Austrian boom and the growing difficulties in exports brought home the risks involved in some development ventures. So far two major plants, a producer of bicycles and of furs, have had to suspend operations, involving a period of unemployment for over 1,000 men. Much has been written in the local Press about the reasons for the two bankruptcies and the visitor has the feeling that regional promotion henceforth will be concentrated on assisting medium-sized firms rather than on attracting subsidiaries of multinational corporations through cheap credit, subsidies and provision of quality sites, water, electricity, waste disposal etc.

A wide variety of selective incentives, including interest-relief grants, loan guarantees and credits at favourable rates of interest is available to any producer involved in the rationalisation of what is described as "economically viable small or medium-sized enterprises turning out high-quality finished manufactures." Young entrepreneurs—people under 40 who have become self-employed—can receive credits of up to Sch.200,000 for ten years at an interest rate of 3 per cent with the first two years free of redemption. Under this new system, launched in 1973, 174 cases have so far been approved involving loans totalling Sch. 21m.

According to 1971 figures about national income distribution, the per capita GNP in Styria was 19.7 per cent. below the national average. The share of the province in the domestic product at factor cost dropped from 15.1 per cent. in 1952 to 13 per cent. by 1970. The marginal location of the iron and steel industry, the difficulties of the coal and iron ore mines coupled with unfavourable transport costs have led to a below average industrial growth rate. During the past few years, subsidies specifically designed to help labour-intensive industries and to attract domestic and foreign industrial investments have yielded tangible results.

With each of the Länder fighting to obtain the largest possible slice of Federal assistance for regional development and with the Federal Budget heavily in deficit, Styria itself will have to put up a substantial financial contribution, since three major problems—industrial structure, the special problems of the border regions and infrastructure—have to be attacked together.

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DAVID FISHLOCK AT THE BRITISH ASSOCIATION

'Engineering materials must be fully exploited'

GIVEN ADEQUATE planning, there need be no serious shortage of any significant engineering material until well into the 21st century, a Birmingham professor assured the British Association meeting here today.

It meant, however, that available materials must be exploited to their optimum extent. Professor W. O. Alexander, head of the Department of Metallurgy at the University of Aston, said in his presidential address to Section X on the economics of energy and materials.

Concrete and timber were the two most important materials in the world today, "because from whichever aspect one looks at material usage, either in tonnage or in volume, the greatest of all is concrete and the second is timber."

From a preliminary evaluation of materials in which trends in consumption and price were related to technological requirements, Professor Alexander concluded that if strength was to be taken as the criterion, concrete was the cheapest material per unit of tensile strength, and would probably remain so.

In cost per megawatt of tensile strength, concrete worked out only half that of steel and cast iron. But timber, once a strong contender, had priced itself out of the market—oak, for example, was now 30 times as expensive as concrete. Three polymers, PVC, polypropylene and high-density polyethylene, had roughly similar costs per unit of strength, about four times that of concrete, followed closely by aluminium at five times.

Exception

But this approach made it plain why magnesium and titanium alloys—respectively, 15 times and 21 times the cost of concrete—were not more widely used.

Professor Alexander acknowledged that engineers would always have some other property to consider in selecting a material for a given application, but believed that such factors were usually secondary and of less significance to cost.

An exception was copper, where electrical conductivity was responsible for more than

GUILDFORD, August 28.

50 per cent. of the demand. But considered as electric cable, copper worked out at more than double the price of aluminium per unit of volume, and three times the price of sodium.

Copper, Professor Alexander forecast, would become "almost a precious metal," and its electrical applications would give way increasingly to aluminium, possibly to sodium, and perhaps even to iron.

The best long-term bet in materials, he concluded, was composite materials, in the form of concrete or a ceramic-type material based on silica or alumina, combined with a cheap new bonding agent which would permit its strength to be reinforced cheaply and reproducibly by means of steel rods or glass or carbon fibres.

Plastics were handicapped in their prospects for growth by their high energy content per unit of property.

This might be overcome by reinforcing the plastic, and there was also the "latent possibility" of discovering a relatively cheap plastic having good and permanent mechanical properties up to 150 deg. C.

Building upturn cuts brick stocks again

Financial Times Reporter

BRICK STOCKS fell again last month as building activity continued to improve in some sectors.

Figures released by the Department of the Environment show that by the end of last month stocks stood at 833m, against 759m in June. In July last year manufacturers held stocks totalling 651m.

Production in July rose to 431m, bricks compared with 418m the previous month, but output remained considerably below the level achieved a year earlier. According to the department, production on a seasonally-adjusted basis was 10 per cent higher than in June but 11 per cent lower than in July, 1974.

Brick deliveries last month rose from 492m in June to 508m in July, 1975, from 470m in July, 1974. The seasonally-adjusted provisional figures estimate that deliveries were 10 per cent up on the preceding month and 17 per cent higher than 12 months before.

Current deliveries to U.K. customers in July averaged 333,000 tonnes a week, 4 per cent drop from the June average of 355,000 tonnes weekly, on a seasonally-adjusted basis, and 10 per cent down on July, 1974. Production fell from an average weekly total of 351,000 tonnes in July to 334,000 tonnes, while stocks dropped from a June figure of 350,000 tonnes to 343,000 tonnes.

Clinker production in July averaged 321m, compared with 337,000 tonnes in June and 373,000 tonnes a year before. Stocks of clinker at the end of July stood at an estimated 1,635m tonnes compared with only 583,000 tonnes in July, 1974.

Lex Back Page

ing box girder bridges between 1969 and 1971. They, he said, had been caused "by human errors of one sort or another."

The worst of the failures, in which 36 people had died, was the collapse of the unfinished Yarra Bridge in Melbourne, "because of some unexplained human folly of removing bolts from a major transverse member under full load in order to fatten a buckle caused previously by some unscheduled loading."

Had the same operation been carried out when bolting up the girders had been fully completed, there would have been no collapse.

Use of electric vehicles has spread this year, with buses introduced in Manchester by Lucas and Chloride. The Electricity Council has the first batch of 61 Enfield electric cars for trials over two years.

The one-tonne payload electric vans are based on the Bedford CF and are fitted with Lucas-developed traction motors, sophisticated control gear and lightweight lead-acid batteries. They have 0-30 mph acceleration in about 10 seconds and 50 mph top speed.

The major problem with lead-acid batteries—which remain the only viable form of motive power—is that they offer a limited range and take relatively long to recharge, so electric vehicles are best used where distance and timing are known in advance.

The Post Office will give ten of the vans extensive trials for three years. They will be used to collect and deliver mail and by telephone engineers.

The conversions have no gearbox or clutch, and are controlled by two buttons on the fascia, one for forward and one for reverse.

Mr. C. H. R. REEVES, a former partner in Herbert, Reeves and Co., solicitors and former chairman of Reunion Properties, who died in July last year, left £3,620,914 gross, £2,712,763 net (duty £2,051,506).

Reunion Properties was bought two years ago by Jardine Matheson in a deal worth £22m.

At Burton Latimer, in the same county, metal-beer barrel manufacturers Alumasc are to make nearly 20 clerical workers redundant because of a slump in orders.

In Darlington Council's direct labour department, however, about 80 new jobs will be created following Government approval of a £1m. house improvement scheme.

Mr. Murray makes it clear in his letter that the Government is not prepared to go any further than the measures already announced to help textile industry during the present recession and repeats the Government's concern that any restrictions on yarn and fabric imports could lead to retaliation.

He says the Government would consider giving Industry Act assistance for the modernisation of mills, but that in the case of closures mentioned by Mr. Hague and Mr. King no applications had been received from the companies concerned.

Mr. Murray's suggestion that the industry is undergoing inevitable change, with the elimination of weak units, is challenged in the reply to Mr. Wilson. Mr. King and Mr. Wilson, Mr. King claim that, in spite of extensive capital investment, workers in some of the most modern spinning mills in the world are due to go on further short-time working when the September holiday period in the Lancashire cotton and allied textile sector is over.

Elsewhere in the textile industry it appears that some of the 300 jobs under threat from the

unions concerned."

PLANS PUT forward by textile trade union leaders for a Textile Purchasing Agency which could help mills threatened with closure by buying stock have received a blunt rejection from the Prime Minister's office.

Mr. Fred Hague and Mr. Joe King, joint general secretaries of the Amalgamated Textile Workers' Union, wrote to Mr. Wilson last month reviving an idea put forward by Mr. Wilson himself in 1957 for a Government agency with the right to import cotton yarn and cloth and restrict goods coming into the country at unfair prices.

Mr. Albert Murray, the member of the Prime Minister's political staff who replied to the letter, claims however that the industry itself said a stock building scheme would be of no benefit as an increase in stocks could merely serve to weaken the market further.

In a further reply to Mr. Wilson this week, Mr. Hague and Mr. King claim the suggestion they have made represents more than stockbuilding. They add: "We cannot accept that advice from industry is overwhelmingly against and in any case we would have expected this Government to have consulted the trade

NORTH SEA OIL REVIEW

BY ADRIAN HAMILTON

Pan Ocean's intriguing discovery

THE Transworld group is now, discovery five miles to the east, reported to be testing encou- the Brae, which was in deep aging flows of oil from its Jurassic sands, and west of second well on the 21/1 dis- where Shell/Eso several years ago made an uncommercial oil Ocean is believed to have made discovery on block 16/8, also in an interesting new shallow oil discovery on its 16/7 block.

The Transworld well is a particularly crucial one. Although the results of the discovery well drilled last year were clearly encouraging from the point of view of the depth of pay zone and size of structure, the well was never fully tested and evaluated and there was concern about the tightness of the producing sands.

Testing of the second well has still to be completed and a full evaluation will obviously have to await the results. But reports in the industry suggest that the results so far are encouraging. A substantial oil column appears to have been established and, while the group is saying nothing about the tests, industry reports also indicate that the flows are surprisingly good, implying a high degree of fracturing.

Clearly bodes well for accumulating additional reserves in the area.

At the same time, it may have interesting geological implications. The latest well was drilled on a basement ridge that runs down this part of the Basin, as opposed to the Brae Field which is off the ridge. Several other shallow tests in this part are also thought to have produced 500m-600m, or more, suggesting that the find looks to be commercial.

A third well is planned on the field within the next few weeks when the group—which is releasing the Pacesetter back to Siebens to drill a further well on its 2/10 discovery north-east of the Shetlands—takes over the second well on Conoco's part of the Statford Field.

Pan Ocean's latest discovery, meanwhile, is an intriguing one. The well, which is just being completed, was drilled on what originally appeared to be a shallow gas prospect. But, some ways, although the group is still hopeful that they will not downgrade the Crawford Field or other prospects in the Palaeocene sands at less than 8,000 feet. It was drilled on a separate prospect from the Shell has quietly plugged and group's previous promising oil

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although highly speculative and confusing 15/16 discovery. The company, in addition, is drilling a further appraisal well on its equally provocative 14/20 discovery and has now started a delineation well on its recent promising oil/gas discovery on block 3/4 in the south of Brent.

Finally, a new book on the North Sea has been published which goes a long way to providing the kind of basic background reference on exploration, development and cost and finance which hitherto has been lacking. The book, *Our Islands Oil*, written by Mr. Martin Love-

Other wells recently plugged and abandoned include Transworld's first well on block 21/7 to the south-east of Transworld's discovery. The well is reported to have encountered some oil but testing showed it to be uncommercial and somewhat disappointing.

The Monsanto/Deminex group has now abandoned its first well west of the Shetlands on block 204/80—the latest in a long series of nearly dozen continuous disappointments in this area. Although other groups still have well commitments west of the Shetlands, the onus does not appear good for any strong pace of activity or oil success. One thought may now be that the oil—taces of which have been encountered—has migrated to the north-west, where the water depths currently preclude any development. Monsanto/Deminex has now moved the rig to drill a third well on its 15/24 block in the North Sea.

The Ranger group has recently plugged and abandoned its first exploration well on block 3/30 just to the north of Frigg in what must again be considered somewhat disappointing circumstances since the well was reported as completely dry.

The rig, the Sedeth 701, has gone back to Texaco, which is using it to drill the fifth appraisal well on its complex, such to be recommended.

It is the latter which are probably the most useful. Partly because of the difficulty in getting hold of information and partly because of the dangers of putting figures on things like finance and cost, far too little has been tried along these lines. Although one might have wished to see more on the structure of the industry and on the tax aspects, this publication tackles the financial points bravely and gives every appearance of being well-researched. There have been other publications setting out the background to exploration but for anyone wanting a basic feel for the parameters surrounding production, profit and investment this new book is

grove, one of the brightest of the young analysts specialising in the field, is published by Witherby and Company. It aims to serve as an introduction and a ready reference on the development, explaining the terms used, the technology being employed and, most important of all, the financing and cost calculations that can be made.

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Where U.S. scores

LORD Rothschild's reorganisation of the science administration in Britain, begun in 1972, had failed to create a healthier symbiosis between research workers in the different sectors of the science system, Professor Ronald Mason, of the School of Molecular Sciences, Sussex University, said.

The Executive's World

VENTURE CAPITAL

The possible charms of resin

BY ROY LEVINE

FAILURES outnumber successes in venture capital projects by more than two to one. So those supplying the money need to reap huge rewards on their good investments, in order to stay viable.

Despite the economic recession, the market for venture capital is still active, though slower and at a lower risk level. This week, one of the more successful venture capital firms, Small Business Capital Fund (SBCF), announced that its biggest investment, Vetro Resin Engineering, was on the verge of breaking into an exciting growth phase after more than two years of careful nurturing.

Vetro Resin, which, against normal pattern, SBCF founded, as well as financed, is in many ways an ideal venture capital situation. Its products—storage tanks and pipes—are based on an advanced technology that has been proven in Italy for nearly 20 years but has not yet made an impact in the U.K. Yet the scope for growth in a rather fragmented market, worth about £20m. a year is potentially great, based on the greater flexibility and lower cost of resin as against steel, aluminium and other materials used for storage tanks. SBCF has predicted a market of over £100m. a year in the near future.

Risks

Although Vetro Resin is SBCF's biggest investment, it has kept its own exposure relatively low by bringing in Italian and private British partners as well as using government loans. Finally, it has taken full advantage of Government assistance by siting the factory in a Special Development Area.

Given the careful research and the way that SBCF tackled the situation, the only risks it took were in finding the right kind of managers for the project and in hoping that no-one else would pre-empt it in establishing the only purpose-built plant for glass reinforced resin products in the U.K.

The man behind SBCF's efforts is one of its directors, Ian McKenzie, a chemical engineer who has been both consultant and entrepreneur. Through his work he had become aware of the need for



The filament winding process which is at the heart of Vetro Resin's manufacture of storage tanks made of glass reinforced resin. Here, glass is being wound around a rotating mould that forms the tank.

cheap and reliable materials used in the U.K. as in Europe, he believes that manufacturing processes used did not allow sufficient quality control to about chasing a product. He advertised for the relevant technology and investigated a reply from Vetroresina SPA, an Italian company based at Udine and the biggest European manufacturer of glass reinforced resin.

Coincidentally, Vetroresina was looking for a U.K. partner to manufacture for the northern European market—an area it found difficult to reach because of the expense of exporting light but large and empty tanks.

The appeal to Ian McKenzie was the filament winding method perfected by the Italian company. This allows a resin tank to be built in virtually a monocoque structure, instead of in three parts.

A joint venture was agreed, with SBCF arranging the bulk of the finance, hiring management and getting the company off the ground, and Vetroresina supplying the technical know-how and taking a minority stake.

Market research was done to confirm the potential demand for the product in the U.K. and determine the product mix and scale of the first production plant. Although Ian McKenzie does not fully explain why the product has not been as widely

Rent-free

The other shareholders were Vetroresina (26 per cent.), U.K. managers of Vetro Resin and two personal friends of the Italian company, a South American industrialist and an Italian film producer. Regional grants, Department of Industry loans and bank loans totalling a further £1m. were negotiated. The factory—covering 86,000 square feet on a 18-acre site on the North Western Industrial Estate at Peterlee—was leased from the Peterlee Development Corporation with no rent payable in the first two years and thereafter at 35p a square foot for the first seven years. The majority stake which SBCF has taken is against its

usual practice. Normally, in its search for capital appreciation, SBCF takes a minority equity share for 3-5 years, and expects its clients to make pre-tax profits of around £200,000 within five years. Loan capital is usually subordinated with a coupon of base rate plus 2 per cent, with interest rolled over and dividends discouraged for the early years.

Over its seven-year life, SBCF has built up a small portfolio of 18 investments into which it has injected over £4m. These include start-up situations like Vetro Resin, rescue and growth situations, in a wide range of industries from packaging to pottery, rust-proofing to engineering.

The most crucial part of the Vetro Resin venture for Ian McKenzie was to recruit a managing director. He wanted a man experienced in selling to industry, with wide contacts in the market and in being a managing director.

Couthard, the executive search firm, was hired and presented numerous candidates. After several interviews the man chosen was Gerald Griffin, who insisted on visiting the Italian plant to satisfy himself that the product could be built in the U.K. and was worth doing.

After qualifying as an engineer from Salford Royal Technical College, he joined

Metropolitan Vickers (now part of GEC). Seventeen years later he moved to Richardson and Westgarth before joining the C.W. Walker group from where he was recruited for SBCF. In making the conversion from engineering to sales, he recalls the comment of a friend, who said of him, "Gerald, you're a good engineer who went commercial."

Over the past two years, Gerald Griffin and his chairman, Ian McKenzie, have been supervising the construction of the factory, recruiting and training staff (together with the Italians), perfecting the production process and setting up a national sales and servicing network. There are branches in Manchester and Maidenhead and a total staff of just under 50.

After being held up by production difficulties for four months, the factory started production last month with orders of nearly £200,000, including orders from Becthams, Court, ails, Unilever and Allied Breweries.

Profits

Gerald Griffin is hoping for profits this year. But perhaps more realistically, Ian McKenzie is happy to wait for 1977 for profits. Irrespective of their conflicting short-term views they are both confident that profits will be large within five years.

"Sales of glass reinforced resin on the Continent are around £200m. a year and have been growing at around 30 per cent. a year," notes Gerald Griffin, adding: "The U.K. is still largely a virgin market, but we anticipate rapid acceptance of our products because of their inherent superiority and price advantage compared with available alternatives."

At full capacity the factory will be able to produce up to 2,000 vessels a year, generating turnover of perhaps £7m. And net margins are near the 10 per cent. level.

If the venture is as successful as its owners hope, it will form a new export business and also encourage hopeful entrepreneurs to believe that, despite the U.K.'s economic difficulties, there is still scope to make millions.

Conflict in calculators

By DAVID BELL

THE DWINDLING band of pocket calculator makers, who have been cutting prices in a fiercely competitive market, are still recovering from the jolt they received recently when Tesco put on sale a machine for only £5.95.

To the surprise even of Tesco, the company sold its entire stock of 20,000 seven digit, four function calculators in less than a week mainly to housewives buying them to help their children with arithmetic or to add up their shopping bills.

But if Tesco were well pleased with the response most other manufacturers took a very different view. Prices have fallen so far and so fast that margins have been pared to the bone. Advertising and distribution costs have risen as competition has intensified and a number of makers have withdrawn from the market, both in Britain and America.

So manufacturers and retailers were, as one of them put it, "absolutely furious that the whole market was again being undermined by cut price machines." There was criticism of Tesco's American supplier, CBM and some small retailers were even rumoured to be buying Tesco's £5.95 machines to resell at £6.95 in their own shops.

Pioneer

Yet in the United States, where competition is even fiercer, \$10 calculators are already appearing in shops and there has even been a suggestion that a \$3 machine is being developed. Bowmar, the U.S. pioneer and second largest producer, quit the calculator business in America in June and filed for reorganisation under U.S. bankruptcy laws (its U.K. subsidiary was not affected and still supplies components made in Canada to European calculator makers). Other smaller companies have suffered the same fate and Gillette, which tested the market with a range made by Sinclair of Britain, decided to keep out of it after sampling the competition.

The theory of this is that inventory costs can thus be kept down and the company can react with extreme flexibility to any sudden change in technology without being locked into an existing cumbersome production line.

But Sinclair has found the competition exceptionally fierce in the past six months, has cut its staff by about 60 to around 200 and has had to cope with a sudden and expensive build up of stock which has now been bought very firmly under control. Like Rockwell, Sinclair is diversifying upwards into more expensive and more sophisticated machines such as programmable calculators and, also like Rockwell, is sceptical that prices of truly reliable hand held calculators can be cut very much further.

Retailers

For the retailers—who include Dixons, Ryman, Boots, Derek Gardner and others—the constant fall in prices has also been a very mixed blessing. Dixons, the largest which sells some 500,000 calculators a year in its 152 shops, is selling its own Primatronic range and keeps a very close eye on competitors' prices. The company is worried that if it goes too far down market it will begin to encounter "customer bad will" with faulty machines. Ryman, which sells about 52,000 machines a year, shares this fear.

The next few months are the peak time for calculator sales and most retail chains estimate that the market will be up about 10 per cent. in Britain with total sales of about 2m, compared with a world wide market of between 24 and 30m.

So, manufacturers and retailers alike agree that the downward price spiral may be near its end. All that is except Tesco which, despite criticism from other retailers, is seriously considering putting another batch of low price machines on the market. This is likely to prove yet another headache in a market which has proved far more cut throat than any one ever conceived even two years ago.

Changing a part of 'Tubes'

BY KENNETH GOODING

IT IS ONLY about 20 months ago that Mr. George Ashton took over as managing director of one of Britain's biggest machine tool businesses—the "machine division" of Tube Investments. He moved in at the time the division itself was re-shaped and the reorganisation seems to be paying off. The recently-published half-year figures showed the division's profits (before tax and loan interest) sharply up from £286,000 to £938,000 in the period to June 30.

Change

The management structure of the division will have to change, again in September when Mr. Walter Lees, chief executive of the machine tool companies in the division, moves out to become managing director of Alfred Herbert following the injection of public funds into that concern.

So the time is certainly ripe for a closer look at TI's machine division which takes in as its major companies Charles Churchill, which makes turning gear and processing machines, and Matrix Machine Tools, manufacturers of high precision grinding machines. In the last full year the division's sales of £35.5m. produced profits (before loan interest) of £1.58m. The division was created from the machine tool and gauge manufacturing and factoring companies from the old TI Machine Tool and Engineering Divisions. The main difference, as far as the machine tool operations were concerned, was that the transport equipment companies were merged into TI's Engineering Division.

What was left was a grouping of companies with a common factor—all of them in the Machine Division require comprehensive mechanical engineering design competence, coupled with skills of the highest order on the shop floor. Mr. Ashton maintains that the reshaping has "worked out very well. The companies in the division have so much in common that we can have a really sensible discussion between one managing director and another. The transport servicing companies did not have much in common with machine tools and the differences were becoming wider all the time. But the companies now in the Machine Division have the same kind of approach to the market place, use similar skills, have a similar approach to pricing—and have a



Mr. George Ashton, managing director of the machine division of Tube Investments.

use for our own machine tool products."

Ashton admits that the main restructuring of the division had been done in the years 1970-73 and that decentralisation was completed at that time. So the first thing he had to do was "convince the people in the division that I was with their companies in their troubles as well as their triumphs—that I wanted to identify with them all the way."

There was also far less interference. The ball was put more firmly with the individual company managing directors. They were encouraged then to do more with their own senior people, put more emphasis on the team. There is an open invitation for the company managing directors to talk to Ashton about their problems "but I hope that at the end of the day that each managing director will make the decision, make up his mind what he will do."

This is all part of the open system of management Ashton has introduced. He says: "I expect managing directors to come back to me and talk to me about the way I'm running the division. I consult with members of my divisional management committee on all the major problems that we have. I believe that in arriving at important decisions one should consult people, and it is this ethos we are trying to transmit

tion is the fifth-largest division in terms of sales. Last year it was behind steel tubes, which had sales of £117m; cycles, £77m; domestic appliances, £64m; and engineering, £45.5m. In turnover terms. However, its return on the assets employed was the lowest—but one. Only the domestic appliance division, with a 4.1 per cent. return on assets, made a lower return than the machine division's 8 per cent.

Mr. Ashton has emphasised this point to the division's employees. "Our return on capital employed is very modest—considerably less than one would get if one put one's money into the Post Office, for example, in 1974." Whether the division can do better this year depends on the success of its overseas selling operations and "if we can maintain our competitive-ness."

He says that during the years between 1962 and 1974 when he was at Steel Tube Division's head office he saw clearly "how a functional job can either help or suppress company operations." He sees his new job as one where he has to contribute rather than just monitor—"a simple monitoring operation, I think, is wasteful and is self-defeating. In this division we have successfully combined functional responsibility with line responsibility. Most members of the divisional management committee do have direct line responsibility. Situations arise in the companies which show that they are very much at the sharp end—and one should always recognise this."

Mr. Ashton is concentrating on the message that "profit will attract investment and investment means a better-equipped organisation." This theme has so far not met with much response "but people will become more interested."

Mr. Ashton has been attempting to explain just what is meant by "cash flow" so that "they realise that at a time of inflation the money we have wrapped up in stock and work-in-progress is particularly important." And "we are also telling them what are the important elements in our costs."

Overall, the theme is that the employees are working for a company with a good future—an important point when one considers the image of the machine tool industry in general and the trouble it has in recruiting because of this distorted image. Says Ashton: "Self respect is the greatest thing you can give employees and that is what we aim to achieve."

Freedom

"This is entirely compatible with my policy of giving maximum freedom to the company chief executives and, of course, it also presents me with the opportunity of closer personal involvement in the machine tool industry," he says. Mr. Ashton subscribes to the view that "the vital thing in British industry to-day is communication" and declares: "I want people to be able to talk to their managers as the managers can talk to me." But employees must be given the full picture about their own particular company and how it is fitting into both the division and Tube Investments Group itself before they can make any meaningful comment or contribution, he points out. Within TI, the machine divi-

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Organisation of the international monetary system will be under discussion in Washington next week. Samuel Brittan reports

A plethora of credits and committees

IF international meetings and the proliferation of credit facilities were the key to improving the world economy, there would be little to worry about. As the chart shows, there has been a period of explosive growth of world reserves since 1970, during which the total has doubled, to over \$180bn. Special Drawing Rights.

This figure understates the total growth in almost every way. One of the achievements of the IMF has been the general acceptance of the SDR, which is now based on a basket of currencies, not merely as a reserve asset but as a unit of account more stable than the dollar. As a result of the latter's devaluation over the last few years, the SDR is now worth some \$1.19 (and \$0.56).

Mushroomed

Much more important is that gold is still valued at its conventional official price, which is due to be abolished. If world gold stocks are measured at the market price of SDR 135 per ounce instead of the official price of SDR 35, the total value of international reserves is now nearly SDR 290bn. The chart consists only of owned reserves. It excludes credit facilities, which have mushroomed greatly in recent years.

The main reason for the growth in reserves, apart from the rapid rise in the free market gold price over the last few years, has been the expansion of holdings of dollars—both Eurodollars held overseas and the normal variety held in the U.S. This expansion has come in two stages: the accumu-

lation of dollars by countries trying to hold their currencies against the dollar, until the attempt was abandoned in 1973 and general floating was inaugurated; and the rise in holdings by the oil producers after the recent jump in oil price. The very latest reports suggest that oil producer reserves have at last ceased to expand, presumably because the producer countries are now spending all their revenues either on imports or on purchasing longer-term physical or financial assets.

The IMF has also contributed its mite to world reserve growth through the provision of SDRs. Not surprisingly, members have come to the conclusion that enough is enough, and for the time being further issues are in abeyance. While the relation between international reserves and the domestic money supply of different countries is far from clear, it is difficult to avoid the conclusion that the growth of reserves has had something to do with the unprecedented world inflation problem. But with the move to floating, and the loosening of other currencies' links to the dollar, the blame can no longer be pinned exclusively on U.S. monetary policy, as international economists were formerly inclined to do.

Fallen

It is true that reserves have fallen as a proportion of world imports from over 70 per cent. in the 1950s to not much more than 20 per cent. But it is quite likely that reserves were more than ample to start with, for all the talk at the time of "a shortage of international liquidity"—surely one of the greatest non-problems in his-

tory. Moreover, to quote the IMF's own annual report, "the volume of reserves needed is smaller in circumstances of widespread managed floating than under the par value system." In addition there has been a several-fold expansion in borrowing from the international capital markets, which has also reduced the need for

U.K. BORROWING FACILITIES (\$bn.)

Swap arrangement with the Federal Reserve Bank of New York	3.0
IMF general account, excluding the U.K.'s reserve position at the fund, which counts as part of the reserves	3.2
IMF oil facility—at present a maximum of ECU short- and medium-term facilities—a theoretical maximum of	1.2
OECD oil facility	5.0
Not yet raised	2.0*
Total	14.4

reserves. This expansion is one of the ways in which the petrodollars of the oil producers have been channelled back into world payments.

It might provide a respite from astronomical figures of billions, if I take a look at the committees and groups which are supposed to be in charge of the arrangements. So many are being formed that no list can claim to be comprehensive.

The root problem is that an organisation containing nearly all countries outside the Soviet bloc cannot hope to take effective decisions if each representative tries to take an active part, even if there is some pooling of Executive Directors of Non-Aligned Countries, which

by the smaller nations. The original inner cabinet of the IMF was known as the Group of Ten. This proved unpopular as "a rich man's club." The negotiations for the reform of the world's monetary system were undertaken by a wider Committee of Twenty. This presented its final report in June, 1974. As it was based on the concept of fixed but adjustable parties, it was shelved until such time as more stable currency conditions returned.

One recommendation which was accepted was to set up a permanent Council, of similar composition, which would make decisions. This is not yet officially in existence; but the 20 countries now meet under the title of the Interim Committee. But this by no means exhausts the list. There is a Group of Twenty-four, which represents the Latin-American, African and Asian countries. There is also a Development Committee containing both industrialised and developing countries.

There are numerous pressure groups outside the Fund. There is, for example, the Group of Seventy-Seven of UNCTAD countries concerned primarily with the poorer and developing countries, nor is the Commonwealth Finance Ministers to be forgotten. This has become an important lobby for the "New International Economic Order," which I discussed yesterday, which favours commodity agreements and special deals to bypass market forces.

These ideas will be discussed by no less a body than the UN General Assembly, meeting in New York next week at the same time as the IMF itself. Many of these same people have recently met at yet another group known as the Conference of Non-Aligned Countries, which

were advised this week by General Juan Velasco Alvarado, the President of Peru, to impose strict limitations on international companies and foreign investments, as part of a programme of accelerating the development of poorer countries.

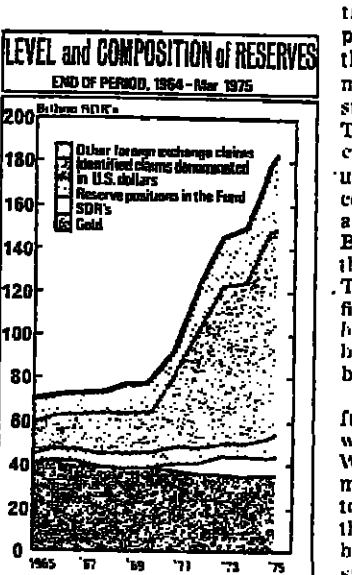
Forum

Of more immediate concern to Mr. Denis Healey, are the EEC meetings, which discuss financial questions at almost every level, heads of Government, Foreign Ministers and Finance Ministers—not to speak of the many official committees. Another important forum for the industrialised countries is the OECD, with more than 20 members, including Japan and Australia as well as North America and European countries.

Perhaps I will be pardoned for not attempting to list bodies related to the World Bank. But it is clear that the groups already mentioned are far too unwieldy for the frank discussions of the communists, or even for effective horse trading. When the Committee of Twenty was holding its sittings there were never less than 200 people in the room.

The more limited Group of Ten main industrial countries have continued meeting rather quietly. With the advent of oil wealth no one can call it the rich man's club any more. It has been relatively easy to continue its meetings without offence, as its membership is almost identical with that of Working Party Three. This is the inner group of the OECD, which does go in for pretty extensive mutual surveillance of each SDR29bn. In practice SDR8bn. other's economies, at high

official level with only two or three dozen people in the room. More recently an even smaller body known as the Group of Five has met at Finance Minister level. This consists of the U.S., the U.K., Germany, France and Japan. Its composition has caused a good deal of trouble—for instance, because of the absence of Italy. This is likely to become the most im-



portant high level forum of the developed countries, although hardly a power house for new or unfashionable ideas.

Conditions

The longest-established credit facility which these groups could make available to supplement world reserves is the General Account of the Fund. This disposes theoretically of each SDR29bn. In practice SDR8bn. is readily available and a

network of swaps organised through the U.S. Federal Reserve. This has existed for a long time, but has recently been increased to \$20bn. The newest facility of all, still to be ratified, is one also worth \$20bn, through the IMF. The money is to be committed on a stand-by basis and is to be used only if all else fails; hence the frequent reference to it as a "safety net." But understanding has not been helped by the variety of names under which it was known. It was originally called the Kissinger Plan for compensatory financing under a special scheme, for countries which might be hit by a fall in primary product prices. But although the loans are soft, they are intended to be repaid. There is even a facility for financing the much-discussed higher stocks for commodities; but little advantage has so far been taken of it.

A newly established credit fund is the Oil Facility. This was originally known as the Witteveen Plan after the Fund's managing director. It is hoped to assemble about SDR3bn. for this, although not all has yet been committed. As its name suggests, the Fund's aim is to re-channel funds from the oil-producing countries to those whose oil payments are causing difficulties. The EEC has an independent similar facility for \$3bn. Both facilities are on a stand-by basis and so far little use has been made of them. A minor source of help for developing countries will be the sale of one-third of the IMF gold stock; one sixth, amounting at market prices to SDR3bn., has been earmarked for developing countries.

Quotas

These arrangements are not, however, regarded as sufficient and the IMF will be discussing next week a 32 per cent. increase in the quotas, which govern its ordinary credit operation. Under cover of this increase the quotas of the oil producers will be doubled.

Perhaps the most useful achievements have been not any of the credit arrangements, but the formal agreement on the rules governing managed floating, and the international pledge to refrain from new trade restrictions. This could come under stress during the coming months; and it is as well that it has been made a condition for the use of the "Witteveen" Oil Facility, and its observance is likely to be watched by the IMF under the other credit facilities, too. Mr. Healey's economic advisers please note.

Letters to the Editor

Unemployment benefits

From Mr. R. Howell, MP.
Sir—I was interested and much encouraged to read Mr. Samuel Brittan's article on unemployment, in your issue of August 21. By restricting his example to the family with two children he perhaps fails to put across the fact that incentive to work decreases in direct ratio to the number of children in the family. This applies whether the family is receiving unemployment benefit or supplementary allowance. Not long ago my attention was drawn to the case of a man with ten children who was happily living on supplementary allowance of over £72 per week free of tax—a net income far in excess of anything he might hope to acquire through his own exertions.

The following table shows the cut-off point for each family size at which unemployment becomes more profitable than idleness:

Single person	£45 per week
Married with no children	£55-60
" " one child	£65
" " two children	£65-70
" " three	£70
" " four	£75

Compare average earnings estimated April 1975 at £54.50 per week

It must of course be emphasised that statistics such as these can only establish the general picture. Some people will be better off on some worse off than the figures indicate. The true characteristics of the unemployed will not be known until the unemployment register is maintained on a computer file. For some reason unknown to me, the Department of Employment attaches low priority to this.

But there can be no doubt that the dice today are heavily loaded in favour of idleness. This is not the result of any policy decision. It is the product of a system which is a jumble of anomalies and financial quackery out of control.

In 1974/5 we spent more than six times as much on unemployment support at constant prices than in 1949/50—with twice as many unemployed. The cost of supporting those not eligible for unemployment benefit has increased by a factor of 13, at constant prices, over the same period.

The main causes of this state of affairs are the following:

- 1) Misuse of PAYE, with the exemption of short term benefits since 1948, and the gradual lowering of the income tax threshold from 100 per cent. of average annual earnings in 1949/50 to 48.8 per cent. in 1975/76.
 - 2) Increase in the value of unemployment support to a level which requires excessive taxation of those at work and militates against the efforts of the Manpower Services Commission to speed up job mobility.
 - 3) The 1968 Social Security Act and the proliferation of other selective benefits—all separately means-tested.
- The combined result has been to destroy incentive. Not only are people better off out of work, increasing numbers of families earning below the average are being dragged into the poverty trap—wsh no incentive to work overtime or to seek promotion, because increases in earnings are cancelled out by higher tax liability and loss of selective benefits.
- Families with three children now earning £30 a week who

receive a £5 increase will find themselves with 70p per week less spending power than before—that is without taking into account the ravages of inflation.

Ralph Howell, MP.
House of Commons, S.W.1.

Paying for roads

From the Public Relations Officer, Road Haulage Association.
Sir—Mr. R. Atkins (August 26) is not the first, and will not doubt be the last, to extend to what seem perilously near absurd conclusions the results of some tests carried out 15 or more years ago by the American Association of State Highway Officials. In any case these tests have no relevance to his assumption that private motorists are subsidising the use of roads by heavy lorries.

Road track costs were the subject of a report by the Ministry of Transport in 1968. In the year covered by the report the maintenance—the subject of

close quarters, since it has invariably been applied to them more rigorously than to any other section of the community.

John Dryden.
19, Rochester Road, S.W.1.

A singular area

From Mr. J. Laurensen.
Sir—In the North Sea Oil Review (August 22) Adrian Hamilton gives an interesting, accurate assessment of the situation in the Shetland area, which he pluralises thus following the assumption of some ignoramus in the Admiralty that if there were one hundred islands (which too depends on what area one calls an island) they must be pluralised. Early Ordnance Surveyors wreaked havoc with Shetland place names—Sudheim became Sodom, Waas was titivated to Walls, losing all meaning in the change.

It may help Mr. Hamilton (and other visiting journalists) to condescend to believe that when Shetlanders say Shetland they mean precisely that. In a considerable influence upon the catalogue of maps in the country library to head southwards to Yugoslavia and Bulgaria. In that time no Russian was the plural "Shetlands".

fittingly that issued by the "London Society for the Propagation of Useful Knowledge" while in a recent booklet "The Various Names of Shetland" in twenty-five references from 1228 to 1782 there is not a single plural.

There is also the absurdity of the "official name" as the chairman of your forthcoming conference in Oslo—the Rt. Hon. Jo Grimond—is member for Orkney and Zetland through the retention of a Scottish Scribe's use of "Z" for the "Y". "Yelland" one of the earlier variations of what eventually became Shetland at the recent changes in local government, the Shetland Islands Council took over the duties (amongst others) of the Zetland County Council.

John B. I. Laurensen,
135, Weymouth Road,
Rainham, Essex.

The Russian language

From Mr. R. Weisskopf.
Sir—I, for one, did enjoy the article on the Russian language by David Lascelles (August 19), having learned it at an overripe age imperfectly, pleasurable and profitably. But hardly any in Russia claims that the fact Lenin spoke it justifies its study. The linguistic reference to the founder of the Soviet Union is based on the verses of Vladimir Mayakovsky, one of the world's great poets who wrote: "Though were I to be a negro of advanced age, I would untiringly and unhesitatingly learn Russian."

If only because Lenin spoke it. Nor do I object to the 33 letters of the Russian alphabet. They are phonetic and have been successfully used to provide a viable alphabet for a number of Mongolian formerly nomadic tribes in northern Russia and Siberia enabling them to preserve their linguistic identity. Turning to the supra-national application of Russian I would like to quote Nikolai Gogol, Secretary of Congress, who writes on page 68 of his book SEV (Sovyet Ekonomicheskoy Vzapomoshchi—Council of Mutual Economic Assistance): "The languages of all member countries and the official languages of the Council. The work of the sessions proceeds in the

working (Russian) language. The minutes and other documents of session and its ancillary organs are rendered in Russian. In the circumstances it is probably fair to assume that Russian is the supra-national language of the 350m. East European economic association. It could be a world language which businessmen and industrialists ignore at their peril and material detriment. Kurt Weisskopf, Consulting Editor Eastern Europe London Chamber of Commerce and Industry, 79, Bear Road, Brighton.

Slavic roots

From Mr. I. Varlane.
Sir—As a Romanian I have to protest very strongly against David Lascelles' statement about the Romanian language (Spread the words, August 19, Page 6). No Russian words have been absorbed by the Romanian language. Ancient Slavic, which is the common root of all Slavic languages of to-day, had a considerable influence upon the Romanian as the Slavs had to cross Rumania to head southwards to Yugoslavia and Bulgaria. In that time no Russian was the plural "Shetlands".

Today about one-fifth of the Romanian vocabulary is of Slavic origin, but they have been adapted to a world language of Romanian morphology and syntax.

Nor is the internationally adopted word "robot" of Russian origin. It penetrated Europe during the last decades of the Austrian monarchy through the novels of the Czech writer Karel Capek, who described a world where man was served by mechanical serfs (as in Czech is robotnik).

I. Varlane,
13, Rue de l'Arc de Triomphe,
75017 Paris.

Cuts in living standards

From Mr. W. Fieiss.
Sir—Commenting on the Government anti-inflation leaflet in your leading article (August 27) you keep on stressing the overriding need for cutting public expenditure and the apparent lack of the Government's awareness of this. The same point was made in the Opposition's reply to the Prime Minister's broadcast when Mr. Whitelaw criticised the fact that the Government asks every one to accept a lowering of living standard before they themselves embark on stringent cuts in their own expenditure.

It is difficult for an outsider to argue about the proper size of these cuts as part of an anti-inflation policy. But it is most annoying to see the sloppy way in which these two words "public expenditure" are treated. As if "the Government" were a family lowering "its" living standard. Apart from cutting out inefficient bureaucracy which we all would applaud, cuts in public spending means lowering other people's living standards. And it is not difficult to imagine who these "other people" are when food subsidies and expenditure on health and education are cut to the bone. Walter Fieiss, 23, Post House Lane, Great Bookham, Surrey.

To-day's Events

Handicrafts and Do-it-Yourself Exhibition, Olympia, 10.30-5.30.
Brighton International Exhibition and Trade Fair, Metropole Centre.
COMPANY RESULTS
Photopia International (full year).
Wagon Finance Corporation (half-year).
COMPANY MEETINGS
Concrete, Iver, Bucks, 12.
Grovesend Securities, 22, Arlington Street, S.W. 11.
Lees (John J.), Glasgow, 11.30.
Lennox, Warrington, 11.30.
Polymark, Jeddo Road, W. 3.

Reed (William), Leeds, 2.30.
Thorn Electrical Industries, Dorchester Hotel, W. 12.
West Coast Associated Tanneries, Millom, Cumbria, 12.
OPERA
English National Opera production of Carmen, Coliseum Theatre, London, 7 p.m.

BALLET
London Festival Ballet dance Noir et Blanc, Scheherazade, and Gaiety Parisienne, Royal Festival Hall, London, 7.30 p.m.

MUSIC
Henry Wood Promenade Concerts: BBC Symphony Orchestra (conductor Rudolf Kempe) with Tamas Vazary (piano) and Jennifer Bate (organ) perform Prokofiev (Suite: The Love of Three Oranges). Liszt (Variations on a theme of Bach: Weinen, Klagen, Sorgen, Zagen for organ). Liszt's piano concerto No. 1 in E flat major, Dvorak's symphony No. 9 in E minor, Royal Albert Hall, London, 7.30 p.m.

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MIDDLE TAR.
Manufacturer's estimate, October 1974, of group as defined in H.M. Government Tables
EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING

COMPANY NEWS + COMMENT

Henry Wigfall sales and profit growth

ON A TURNOVER up by £10.6m. to £26.91m., group pre-tax profit of Henry Wigfall and Son advanced from £2.2m. to £3.5m. for the year to March 31, 1975, subject to unchanged loan stock interest of £134,000. At the 28 weeks stage pre-tax profit was up from £0.8m. to £0.91m.

Profit for the year 1974-75 was also subject to an extraordinary provision of £2.2m. for un-amortised purchase tax on rental assets.

Earnings per 25p share are shown at 43p (45p before the extraordinary item) and the dividend is raised from 3.603p to 3.94p net.

The business is that of multiple shop retailers for radio and television sets, washing machines, furniture, etc.

comment

Henry Wigfall's profits are 15 per cent. up, but what they do not reveal is the trend in HP sales last year, as the group only takes profits when agreements expire. But the full accounts will reveal a 22m. jump to £5m. in the amount owing under financing arrangements which points to the HP business moving ahead faster than rental sales. However, an increased rate of VAT on new turnover has taken the edge off new business and, although there may be some recovery this autumn, cash sales are still dull after the "Budget" buying spree. Expansion is concentrated in the south, having saturated the traditional trading area, and the Baker and Scott shops have recently extended their services to cover the full range of HP and credit facilities offered by the parent. At 110p yesterday the shares, yielding 5.7 per cent., are dogged by a narrow market which a scrip issue would correct. Meanwhile, the market must be considering UDT's position: it soon has the option of increasing its 25 per cent. stake, but may even be looking to place the existing holding elsewhere. This may all add up to an extra bit of speculative appeal to the shares.

Hales Props. expansion prospects

Hales Properties has an "excellent portfolio" of properties, together with sufficient land reserves to continue its building and development programme into the foreseeable future, says the chairman, Mr. R. J. Hales.

Current figures reflect a satisfactory profit level for 1975-76, and the directors anticipate at least maintenance of a 2.25p net dividend.

As reported on July 29 group pre-tax profit for the year to March 31, 1975, was £119,459 (£124,570), after general expenses of £59,083. Property sales contributed £306,795 to turnover and £24,229 to profit, and rental income £184,720 and £84,253.

Westlan and General Assurance holds 24.2 per cent. of the "relevant" capital.

Meeting, Sutton Coldfield, September 11, noon.

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Midway rise at Hill & Smith

WITH PROFIT, before tax, of Hill & Smith up from £283,874 to £338,141 for the six months to March 31, 1975, the chairman, Mr. T. H. Silk, says he is confident that year-end results will maintain the record of "unbroken progress" since 1969.

He warns however that trading in the second half is being affected by the general recession in industry. For the year 1974-75 profits were a best-ever £601,204 and dividends 3.563p net, adjusting for a one-for-ten scrip issue.

For the current year an interim dividend of 1.4p, compared with an adjusted £127.70, has already been declared. Directors and families have waived payment on 484,170 shares.

The company's business is that of steel stockholding, forging and fabricating, etc.

Six months 1974-75 1973-74

Turnover 4,432,810 3,627,785

Profit before tax 283,874 283,874

Taxation 18,409 125,590

Net profit 265,465 158,284

Dividends less waivers 24,324 26,801

1974-75 1973-74

Turnover 3,612 3,612

Profit before tax 18,409 125,590

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Waring & Gillow up by £0.72m.

THE SUBSTANTIAL increase in profit forecast by household furniture makers, Waring & Gillow, has been achieved. The company's business is that of steel stockholding, forging and fabricating, etc.

Six months 1974-75 1973-74

Turnover 4,432,810 3,627,785

Profit before tax 283,874 283,874

Taxation 18,409 125,590

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comment

Current trading conditions are not expected to change materially in the second half and provided no unforeseen circumstances arise, it is expected that the profit for the period will be of a similar order to those in the first half.

In view of a site expansion programme, which the company is currently engaged and the continuing need to conserve cash resources, it has been decided to maintain the interim dividend at 4 cents per share.

The directors point out that the low level of tax for the period arises from the investment allowances associated with the company's expansion programme.

The company is a subsidiary of BICC.

1974-75 1973-74

Turnover 4,432,810 3,627,785

Profit before tax 283,874 283,874

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1974-75 1973-74

Turnover 3,612 3,612

Profit before tax 18,40

STODDARD HOLDINGS

LIMITED

(Carpet Manufacturers)

GROUP RESULTS FOR THE YEAR ENDED 31st MAY 1975

	1975	1974
TURNOVER	13,313	13,371
TRADING PROFIT	861	1,713
Finance Charges	268	140
Losses on Exchange	40	(9)
Depreciation	353	184
Associated Companies	300	1,368
Profit before Tax and Extraordinary Item	287	1,391
U.K. Tax	18	310
Overseas Tax	16	85
Deferred Tax	122	394
Profit after Tax before Extraordinary Item	156	789
Extraordinary Item	131	602
Profit after Extraordinary Item	175	602
DIVIDENDS AND RETAINED PROFITS		
Preference Dividend paid	10	10
Ordinary and 'A' Ordinary Interim paid 9th April 1975-0.87937p (1974-0.81875p)	35	37
Proposed Final 1.25345p (1974-1.27987p)	50	51
Profits retained	95	98
	175	602
CAPITAL EMPLOYED		
5% Preference Stock	300	300
Ordinary and 'A' Ordinary Stock	1,000	1,000
Reserves and Retained Profits	4,282	4,182
Government Grants Deferred Credit	477	399
Loan Capital	578	122
Deferred Taxation	1,163	746
Future Taxation	18	226
	7,796	6,885
NET ASSETS		
Fixed Assets	3,958	3,549
Investments	40	53
Short Term Borrowings	(1,128)	(1,724)
Current Assets less Liabilities	4,926	5,107
	7,796	6,885
EARNINGS PER SHARE		
—before Tax	6.9p	34.5p
—after Tax	3.0p	14.8p

STATEMENT BY CHAIRMAN—SIR ROBERT A. MACLEAN

In significantly less buoyant trading conditions turnover was maintained at approximately the same level as last year both at home and overseas with exports continuing to account for 23% of total sales. Increasing overheads, and in particular sharply rising factory costs during the second half of the year, seriously eroded profit margins and in view of the uncertainty of trading conditions Group policy was primarily directed towards strengthening liquidity. A decrease in short term borrowings of £596,000 shows that this objective was achieved. With a much improved liquidity ratio even after financing new equipment to the value of nearly £600,000, the Board has more recently felt that, despite the challenges that still lie ahead for the trade in general, the Stoddard Group can safely expand its turnover. Additional items and new ranges, the launching of which were delayed in the interests of improved liquidity, are now on the market and though these are early days, their reception has been good. The Board recommends a final dividend of 1.25345p together with the interim dividend of 0.87937p makes 2.13282p for the year. The rate of dividend is the same as last year but since the corresponding period last year the rate of imputed tax credit has increased from 33% to 35%.

Subject to approval by shareholders at the Annual General Meeting the final dividend will be payable on the 12th November 1975 to shareholders on the register at the close of business on the 2nd October 1975.

EAST ASIATIC RUBBER ESTATES, LIMITED

The 32nd Annual General Meeting of East Asiatic Rubber Estates, Limited was held in Kuala Lumpur, Malaysia on Thursday, August 28, 1975.

The company has reported a pre-tax profit for the year 1974-75 of M\$1.99 million (1973-74 M\$1.35), showing an increase of 14.5 per cent over the previous year's profit.

The Chairman, Mr. Erik Petersen, stated that the transfer of central management, control and tax residence of the company was finally concluded on 17th December, 1974.

However, approval of the transfer could only be granted by the U.K. Treasury, after all portfolio investments had been disposed of which unfortunately resulted in a loss of M\$1.08 million. This amount has been accounted for in the profit figure for the year stated above.

The improved result was partly caused by a 5 per cent increase in the crop of 3,318,000 kgs. of rubber and partly by a higher premium being obtained for centrifuged latex during the year.

The net dividend received from the subsidiary company, Teluk Merbau Plantations, Limited amounted to M\$529,537 (1974-75) as compared with M\$529,100 (1973-74) the previous year.

After providing for taxation and taking into consideration the interim dividend of 2.48 pence per share already paid to shareholders during June 1975, a balance of M\$1,034,260 (£172,586) is being carried forward to the next financial year.

PETERBOROUGH MOTORS

A notable achievement

Extracts from the accounts and statement by the Chairman, Mr. G. Read:

- * The results for the year are more than satisfactory with group turnover in excess of £8,760,000 compared with £7,400,000. The profit before tax amounted to £444,858 against £356,237 and the total dividend for the year of 1.85p per share compares with 1.76p last year.
- * Our Agricultural and Industrial Equipment companies contributed £206,601 to the pre-tax profit, the Motor Vehicles group £165,036, our Road Transport company £31,824 and the Finance division £41,397.
- * The Group continues an aggressive policy of expansion and during the past year has spent £85,000 on new buildings and extensions. Our enterprise is committed to £84,000 capital expenditure during the current year and has adequate resources to meet all its commitments in the immediate future.

MINING NEWS

Western Mining takes a cautious line

BY LESLIE PARKER, MINING EDITOR

LAST MARCH the comment here on Western Mining's half-year results was that they presented a mixed bag with a cautionary signal for the second half. In the event this has proved to be somewhat of an understatement. The higher first half profit has been denuded by the second half earnings.

More importantly from the shareholders' and market viewpoint, the company has thought fit to reduce its half-yearly dividend rate from 4.6 3/4 cents, the first decline in what has been a generally slow rate of growth since the Kambalda nickel mine came into production in 1967.

The 2 per cent fall to 3.45 cents in profits, our Sydney correspondent reports, was despite a 20 per cent lift in sales to \$131m, owing to price increases and devaluation of the Australian dollar against the American dollar.

Hitting the results were higher tax, the inevitable sharp increase in costs and a rise in amortisation and depreciation charges including for the first time those for the Windarra nickel project in which Western Mining has a half interest.

The dividend reduction decision is blamed on the depressed demand for nickel in the first half of 1975 which resulted in a lower than expected profit and on the fact that the "adverse market conditions" reflected in the results. Yesterday Western Mining reflected the results with a drop of 5p to 148p.

WRITE-DOWN FOR ALLSTATE

Australia's Allstate Explorations, one of the main stars of the great nickel boom days, now proposes to reduce its capital by writing off the unutilised 15 cents on the company's 6.54m. contributing shares, thus reducing them to a nominal amount of 10 cents apiece.

If the shareholders agree, it is additionally proposed that the resultant 10 cent share will be consolidated into their original form of 25 cent shares. A net

loss of \$0.22m. is reported for the year to June against \$0.31m. for 1973-74. In London Allstate shares are quoted at around 5p.

A sad story from Zambia

THE SAD STORY of low metal prices coupled with rising costs in Zambia's hard-pressed copper-lead-zinc mining industry is taken up in a chapter of the June quarterly report of Nchanga Consolidated Copper Mines, the company which is 51 per cent owned by the Zambian government and 49 per cent by Zambia Copper Investments.

Nchanga has made a net loss of K8.5m. (\$5.27m.) in the past quarter compared with a profit of K5.4m. in the previous three months when there was a K4.9m. tax recoupment. For the 12 months to March 31 last net profits amounted to K38.5m. compared with K113.2m. in prosperous 1973-74.

During the past quarter Nchanga received K802 (\$581) per tonne for its copper, sales of which increased slightly, while those of the less important lead and zinc were halved compared with the previous three months. The outlook for the current quarter remains bleak in view of the severe transport problem for copper exports which has followed the loss of the important route via war-stricken Angola.

June quarter results of ZCI, which also holds 12.25 per cent of the other suffering Zambian copper producer, Roan Consolidated Mines, show a loss of \$1,544,000 against a profit for the year to June 30 of \$15.7m. (17.4m.) compared with \$15.1m. in the previous year.

The past year's dividend total of ZCI consists of the interim of 5.5 cents (1.9p) compared with a year's total of 40 cents for 1973-74; as already reported, the company has had to omit a final for the past year because it has not yet received exchange control permission to remit the necessary funds

from Zambia. The shares were 55p in London yesterday.

NBH drill hits more rich ore

OUTSTANDING VALUES have been obtained in the further drilling of underground borehole No. 2092 at North Broken Hill's ML 44 lease at depth in the No. 3 shaft area. The drill has now cut massive 37.5 metres (122.4 feet) of mineralisation with rich metal grades averaging 26.2 per cent lead, 21.2 per cent zinc and 459 grams of silver per tonne.

This result includes the stretch of 3 metres grading 19.7 per cent lead and per cent zinc which was reported here on Wednesday. Drilling is to be continued by the Australian company in order to obtain additional structural information it is stated.

The importance of this drill lies in the hope that it has found the so far elusive addition to the known line of lode. The drilling programme was started from the mine's 36 level at a depth of 1,540 metres (5,052 feet) below surface. The company pointed out in its last annual report that at such depths, mining would become difficult and expensive owing to extreme rock temperatures and abnormal rock pressures.

On the other hand, it would be well worth while if subsequent drilling encounters values anywhere near as rich as those now announced. Hoping that North Broken Hill has at last found its new orebody is Broken Hill Proprietary which controls the lease area. It has any net working profits obtained from this lease area.

Meanwhile, sharply higher costs are reflected in a fall in North Broken Hill's net profit for the year to June 30 to \$1.73m. (\$3.92m.) from \$10.19m. in 1973-74. The dividend total is maintained with a final of 5.5 cents making cents (5.46p). The shares rose 8p to 125p yesterday while those of Broken Hill Proprietary gained 10p to 685p.

BIDS AND DEALS

Revised terms give Spirella control of Vantona

Spirella announced last night that it has won control of Vantona. The new group to be formed from the merger will be one of the largest household textile manufacturers in Europe, with a turnover of some £70m. and more than 10,000 employees.

Spirella's success came after it had issued a slightly revised offer, which, at yesterday's prices, amounts to 48.3p per Vantona share as opposed to the original 46p.

The bid, which is worth about £5m. has been fiercely contested by the majority of the Vantona Board, although a minority has all along backed Spirella. Mr. H. C. Pilkington, chairman of Vantona, and the other directors opposing the bid, have now agreed to support it and accept in respect of their 14 per cent holding.

This, with other acceptances and promises of acceptances, means that Spirella now has 64.7 per cent of Vantona. It would have had 50.1 per cent, even without the Pilkingtons' stake.

The additional 9.5 per cent, Spirella has obtained since it last revealed its stake followed negotiations with a number of institutions holding Vantona stock. They had not been entirely happy with the terms of the original offer.

It remains to be seen what relationship Spirella will have with Mr. Pilkington. It was announced yesterday that he has resigned as chairman and managing director of Brigray, in which Vantona has a 25 per cent interest.

Precise terms of the deal are — Vantona shareholders will now receive 38.5 per cent of a new Spirella share compared with 35 per cent under the original offer — the accompanying 33p convertible or cash offer is unchanged. Thus for every 200 Vantona shares held, 78 new Spirella Ordinary shares and either 268.5 worth of convertible or that amount in cash. Assuming that all the convertible is converted, the ultimate equity stake of Vantona in the combined group could now be 55.3 per cent, compared with 52.9 per cent in the original offer.

Another 250,000 Ordinary shares in Porvair have been purchased by Imont to raise Imont Corporation's holding in the company to 76.78 per cent.

Permission has been given for the parent to acquire a further 150,000 shares in the open market, when Imont will then hold 72.1 per cent of the share capital. Bank of England permission has also been received for the allotment to Imont Corporation of the further 2.2m. shares to which it is entitled under its option agreement.

Exercise of this option and the allotment will give Imont Corporation a holding of 80.4 per cent in Porvair.

Associates Deals

N. M. Rothschild and Sons announces that Spirella Group has bought a further 73,750 Vantona 43p.

Hedderwick Stirling Grumbar bought 5,000 "A" Ordinary Land and General Developments on behalf of Somerset Shipping at 17p.

IOM ASSOCIATED IN TALKS

Isle of Man Associated Investment announces that discussions are taking place which may result in an offer being made to acquire the capital of Manx and Overseas Investment Trust.

VAVASSEUR

J. H. Vavasseur's excursion into South Africa has been finally terminated — holders voted to approve the acquisition of

Vavasseur South Africa by the wholesaling group Woolfsons. VAVSA shareholders will now have to opt either for a combined Ordinary and Preference share offer worth 284c with Woolfsons at 600c or for cash of 217c.

The U.K. parent, holding 45.5 per cent, or 1.8m. of the VAVSA Ordinary shares, has already indicated it will take cash and so is due to receive the equivalent of £3.7m. payable in two instalments in September and December.

GORDON JOHNSON—STEPHENS

Gordon Johnson-Stephens (Holdings) has acquired 7 per cent of the issued Common capital of Gordon Johnson Industries of Kansas City, with the exception of North America, Gordon Johnson-Stephens holds the world wide manufacturing and franchise rights over Gordon Johnson equipment for the poultry trade. North American rights are held by the Kansas City Company.

SMITHFIELD & ZWANENBERG

S. and W. Berisford, the food group, is to make an offer to acquire the 400,000 3.85 per cent (formerly 51 per cent) Preference shares of 50p of its wholly-owned subsidiary Smithfield and Zwanenberg Group on the basis of 27p cash plus accrued dividend per share. Certain major shareholders have indicated it is their present intention to accept.

NET BID RESULT

The offers made on behalf of William H. Mullins and Partners for the Ordinary and Preference share capital of NET not already owned have become unconditional and remain open until further notice. Acceptances have been received in respect of 3,594,241 Ordinary shares, which with 65,000 owned at the date of the offer, represents approximately 92.1 per cent of the Ordinary capital. The offer for the 5.25 per cent Preference 1984-89 has been accepted in respect of 266,365 shares (84.6 per cent).

LEIGH MILLS

Further to the announcement last February, the total consideration paid by Leigh Mills for the acquisition of the textile interests of Smith Renton was £210,187—£20,000 for goodwill and a certified figure of stock of £170,081, plus VAT of £14,086.

NO PROBE

The proposed merger between Stone Platt and Ernest Scrags and Sons must not be referred to the Monopolies Commission.

SHARE STAKES

Slater Walker Securities and its subsidiaries, together with investment trusts, unit trusts and fully discretionary clients under management, now have interests in Hudson Carrier of 902,500 Ordinary (11.85 per cent.) and in Estates House Investment Trust 2,430,145 Ordinary (12.17 per cent.). Neither constitutes a disclosure under the Company's Act.

Mr. G. R. F. Tompkins has acquired a further 600 Ordinary in Stonevale.

ZAMBIA COPPER INVESTMENTS LIMITED (ZCI)

(Incorporated in Bermuda)

REPORT FOR THE QUARTER ENDED 30th JUNE, 1975

(Covering mining company operations for quarter ended 31st March 1975)

ESTIMATED CONSOLIDATED PROFIT OF ZCI

FOR QUARTER ENDED 30th JUNE 1975 (1974 UNCONSOLIDATED)

	Quarter Ended 30th June 1975	Year Ended 30th June 1975	Year Ended 30th June 1974
	1975 U.S.\$ '000's	1975 U.S.\$ '000's	1974 U.S.\$ '000's
Dividends received or accrued from Nchanga Consolidated Copper Mines Limited	—	10,332	42,413
Roan Consolidated Mines Limited	—	2,772	7,986
Other	1	4	4
Interest receivable and other revenue, less provision for expenses and foreign tax	189	2,802	4,451
	190	15,910	54,854
Adjustments arising from changes in currency exchange rates	27	27	—
Less: Transfer to currency reserve	27	—	—
	190	15,910	54,854
Amount written off investment in prospecting companies	244	244	798
	(54)	15,666	54,056
Dividends Declared	Nil	4,902	49,024
Amount	Nil	4	40
Per Share		(U.S. Cents)	(U.S. Cents)

Notes:

(A) No dividends were declared by NCCM or RCM for the quarter ended 31st March, 1975.

(B) The attention of members is directed to the announcement published in the press on 18th August, 1975 referring to the dividends totalling US Dollars 10,332,000 declared by NCCM on the "B" shares held by the company for the quarters ended 30th June, 1974 and 30th September 1974.

In terms of Zambian Exchange Control Regulations these funds had been held for the company's account in Kenya in Zambia and were due to be externalised after approval of the annual accounts of NCCM for the year ended 31st March, 1975.

Approval for the externalisation of these funds was duly requested from the Zambian Exchange Control Authorities in terms of the above regulations. However the authorities were not able to grant this approval or to indicate when it might be forthcoming, and consequently it was necessary for the final dividend for the company's year to 30th June to be passed. As and when these funds are externalised the company will give immediate consideration to the declaration of an interim dividend, out of retained profits carried forward, for the year to 30th June, 1975.

ZCI has a 49 per cent interest in Nchanga Consolidated Copper Mines Limited (NCCM) and a 12.25 per cent interest in Roan Consolidated Mines Limited (RCM). The estimated results of NCCM and RCM for the quarter ended 31st March, 1975 are as follows:—

	Quarter Ended 31st March 1975	Year Ended 31st March 1975
Production (metric tons)		
Finished copper	99,375	408,686
Lead and zinc	17,771	79,506
Sales (metric tons)		
Copper	101,116	396,180
Lead and zinc	22,206	75,930
Average copper proceeds (per metric ton)	K843	K1,087
Sales revenue—all metals	K88,000,000	K479,400,000
Net profit after taxation	K5,400,000	K58,800,000
Appropriations—		
Capital expenditure	K7,600,000	K39,600,000
Dividends (see note (a))	Nil	K17,000,000

† Broken Hill division.

	Quarter Ended 31st March 1975	Nine Months Ended 31st March 1975
Finished copper produced (metric tons)	71,886	220,077
Copper sales (metric tons)	71,394	213,643
Average proceeds (per metric ton)	K827	K854
Sales revenue—all metals	K60,418,000	K207,104,000
Net profit after taxation	K4,006,000	K26,426,000
Appropriations—		
Capital expenditure	Nil	Nil
Dividends (see note (a))	Nil	Nil

* Not available.

By Order of the Board

J. J. De Beer
G. W. H. Rely Directors

Pembroke, Bermuda.
27th August, 1975.

U.K. Registrars:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent,
TN24 5EQ.

South African Registrars:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001,
(P.O. Box 61061, Marshalltown 2107),
Transvaal, South Africa.

This announcement appears as a matter of record only.

as kongberg våpenfabrikk

An enterprise of the Kingdom of Norway.

MEDIUM TERM EURODOLLAR LOAN

arranged by:

DOW BANKING CORPORATION

provided by:

DOW BANKING CORPORATION LONDON

THE FIRST NATIONAL BANK OF BOSTON

INTERNATIONAL COMMERCIAL BANK LIMITED

MIDLAND AND INTERNATIONAL BANKS LIMITED

SCANDINAVIAN BANK LIMITED

12th August 1975

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Recession threat to Hoechst dividend

BY GUY HAWTIN

THE EFFECTS of declining demand, rising costs and under-utilisation of capacity have bitten deep into Hoechst's profits during the first half of the current year. If, as seems likely, there is no great improvement in the second half, it is hard to believe that the group will be able to maintain last year's 18 per cent dividend for 1975.

Shareholders in this leading West German chemicals group were told early in June that an 18 per cent dividend was "still theoretically realisable" despite a substantial decline in turnover. But today the group published a pre-tax report showing that pre-tax profits for both the group and the German parent, have been virtually halved.

Both demand and production were low in the first half, says the report, adding that the opening weeks of the second half have shown no improvement. It warns that second half results are unlikely to prove satisfactory despite the continuing implementation of counter-measures.

Group world turnover in the first half year totalled DM8.98bn, compared with DM9.98bn in the same period of 1974. Against a 1974 half year average turnover of DM10.1bn, the performance in the opening six months of the current year is down by 2.1 per cent.

In group terms, the greatest weakness has come in the domestic market, where turnover has dropped from DM3.66bn in the same period of 1974 to DM3.47bn.

On the basis of a 1974 half-year average of 6.3 per cent.

Overseas demand, though down, was in group terms by no means as weak. It rose from the first half of 1974's DM6.32bn to DM6.42bn, and showed, on a 1974 half-year average basis, an increase of 0.3 per cent.

Group pre-tax profits, however, were severely slashed. They fell from DM950m in the first six months of 1974 to DM460m. On the 1974 half-year average basis the fall is rather less steep, but it still shows a 47.4 per cent decline. In percentage turnover terms, the 1975 first half figures fell to 4.7 per cent, from first half 1974's 9.5 per cent, and a 1974 half-year average of 8.7 per cent.

Hoechst AG, the German parent company, shows turnover down to DM4.14bn, against DM4.85bn in the same period of last year, and a 1974 half-year average of DM4.83bn. On the half-year average basis the decline is 14.3 per cent.

Domestic turnover fell on the half-year average by 8.7 per cent, to DM2.14bn, compared with DM2.38bn in the same period of 1974. Overseas business, however, fell even more steeply, by a half-year average of 19.6 per cent. Turnover totalled just under DM2bn after DM2.46bn in the first half of last year and the proportion of exports in total sales was down from the 1974 half-year average of 51.5 per cent to 45.3 per cent.

Pre-tax profits were also heavily cut. They were down

FRANKFURT, August 28.

JACQUES BOREL International has made a share offer to minority holders of its own 50 per cent subsidiary, Cie des Hotels Jacques Borel SA (CHJB). This is in addition to its takeover bid for Sofitel announced yesterday, chairman Jacques Borel told journalists.

The offer of one JBI share for 10 Sofitel shares is paralleled by an offer of one JBI share for five shares in CHJB and four Ordinary Frs.800 nominal CHJB bonds for one convertible CHJB bond.

Borel said that as a result of the double operation, a maximum of 214,000 new JBI shares will be created, 157,000 by exchange for Sofitel shares and 57,000 in exchange for CHJB shares.

The capital of JBI will be raised to a maximum of Frs. 144.7m. from the present Frs. 123.3m. level and the two new 100 per cent owned subsidiaries, Sofitel and CHJB, will merge and operate under the Sofitel trade mark.

The new shares created by the operation will not be valid until July 1, 1976, in order to avoid disturbing the Bourse, Borel said.

Borel said that a combined hotel subsidiary CHJB/Sofitel would have 25 hotels with 3,710 rooms, to be increased to 45 hotels with 7,000 rooms by end-1976, creating 1,000 new jobs.

He also announced an agreement with the Belgian Brewery Brasseerie Artois, which is to buy 25,000 JBI shares on the Bourse (1.7 per cent of the capitalisation), take a watchdog seat on the JBI Board and give up the Artois restaurants to Sie Generale Beige de Restauration, JBI's Belgian subsidiary.

This follows the recent similar agreement with the Belgian chain GB-Immo-BM, which bought 20,000 JBI shares, and as a result of which Borel's Sie Generale will change its name to Jacques Borel Belge NV/Belgienne.

JBI shares will be quoted on the Brussels and Antwerp Bourses from September 23, in Düsseldorf and Frankfurt from September 26 and in Amsterdam from October 2, subject to authorisation by the Belsa.

He noted that 5 per cent of the company's capital will be held by Benelux companies and institutional holders after the Artois purchases. Reuter.

Twin bid operation by Borel

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Chori reported to be in financial difficulties

BY CHARLES SMITH

CHORI COMPANY, one of Japan's top 15 trading concerns with special interest in textiles and real estate, was reported today to have requested a suspension of interest payments on its loans from four major banks.

The reports, from the Osaka correspondents of two major daily newspapers, could not be immediately confirmed, but the company is known to have had financial difficulties earlier this year. The total amount of interest payments due on an annual basis is put at some ¥20bn. Chori's main bankers are Dai-ichi Kangyo Bank, Fuji Bank, Sanwa Bank and Mitsubishi Trust and Banking Corporation. The banks were said to have agreed to suspension of part of the interest payments due to them.

News of Chori's difficulties coincided with a formal application for protection under Japan's corporate rehabilitation law by Chori Company, the textile and real estate group whose collapse earlier this week, Kohjin still hopes to save itself by liquidating its loss making real estate section.

But the company's chances of recovery are not rated highly. The Kohjin parent company's debts are estimated at roughly double its annual sales.

TOKYO, August 28.

Kohjin was refused additional loans by its three main banks early this week and was thus forced to seek protection under the rehabilitation law.

Mitsubishi details its exposure to Kohjin

TOKYO, August 28.

Mitsubishi Corporation, a large trading concern, said on Thursday that its exposure to Kohjin Company and its subsidiaries totals ¥10.2bn.

Mr. Takematsu Katoh, Managing Director in charge of finance and accounting, said that the outstanding total of Mitsubishi's receivables from Kohjin itself is ¥6.7bn, ¥5.5bn of which is secured by collateral.

He said half of the remaining ¥1.2bn will be provided for under doubtful receivables during the six-month accounting period ending September.

"This is not a considerable sum when considered against the total scale of Mitsubishi Corporation's business and it poses no problem at all," Mr. Katoh said. APJ

He said that Mitsubishi's outstanding receivables from Kohjin's subsidiaries total ¥3.5bn, ¥2.6bn of which is secured by collateral.

Mr. Katoh said that while Mitsubishi's sales may decline somewhat in the year ending March 1976 as a result of the prolonged global recession, the group expects earnings "to show a slightly stronger tone."

The director attributed the relatively favourable profit outlook to a lighter interest burden as a result of falling interest rates in Japan, to a slowdown in labour cost increases, and to increasing returns from overseas direct investments.

Market opinion favours a rise in the final dividend to about 23.5c for a total of 42c, which would maintain dividend cover at 2.5 times on the projected earnings and put the shares on a yield of 6 per cent. There could be an added kicker in any recovery in fishmeal prices, now burning along at about half last year's average level.

Growth in Tiger Oats profits

JOHANNESBURG, August 28.

TIGER OATS, the South African food and fishmeal group, raised turnover from R120m. to R154m. during the six months ended June 30 and saw an appreciable advance in pre-tax profits from R8m. to R10.2m. Earnings per share were up from 58c to 59c for the holding company and the interim dividend was 1c better at 18.5c.

Results for the associated Oceana group, embracing the fishing companies United Oceana, Lamberts Bay and Sea Products (SWA) added attributable net income unchanged at R1m. to the Tiger results, for total Tiger group earnings of 65c against 58c, while undistributed profits of other associates in which more than 30 per cent is held would have raised the total to 71c.

The Board indicates that trading conditions are favourable, and the solid base in foodstuffs suggests that its optimum is well founded. A rise in earnings in 1976 for the full year looks probable, against the annualised level of 116c for the previous 15 months accounting period.

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Optimism at Grinaker

By Richard Rolfe

JOHANNESBURG, August 28. THE South African civil engineering group Grinaker Holdings has reported a profit up from R3.7m. to R4.3m. for the year ended June 30, giving earnings 12 cents better at 58 cents.

The final dividend is raised two cents to 17 cents leaving the annual total similarly two cents to the good at 27 cents. Grinaker expects an advance in turnover in the current year, with work on hand standing at a higher level than a year ago, reflecting heavy capital expenditure at the gold mine and on projects such as the Sishen-Saldanha railway, for which it has a track-laying contract.

Over the past 12 months, Grinaker's market rating in Johannesburg has reflected sentiment about gold as much as about civil engineering, and the shares peaked at 480 cents last year. The present level of 360 cents looks in line with the basic outlook for construction companies. Though the 7.5 per cent yield is a point below the building sector average, it looks justified by Grinaker's position in capital works and minimal exposure to less favoured sectors such as housebuilding.

State aid for Daf Trucks

BY MICHAEL VAN OS

DAF TRUCKS, the Dutch lorry manufacturer, has hit financial difficulties after suffering substantial losses last year, and again this year and it is now expected to receive state aid on conditions that the company is reorganised.

The Eindhoven-based company, in which the U.S. lorry manufacturer International Harvester has a one-third interest, said today that it had suffered a gross loss of Fls.17.2m. in the first half of this year after having suffered a Fls.15.7m. gross loss last year (net loss Fls.12.5m.). In view of the unfavourable prospects, a loss is also anticipated for the second half of the year, while the company would also suffer losses in 1976 and 1977, no counter-measures were taken on the trucks side. The special products division is expected to show profits in those years.

Earlier this week, trade union officials had stated that the lorry sales problems were of a cyclical nature and were only temporary. They would, therefore, not accept major reductions.

The management of Daf Truck told the general staff council this afternoon that talks with the Economics Ministry and the management of International Harvester would probably result in some form of financial aid aimed at raising the Daf Trucks risk capital in the short term to safeguard the continuity of the company. The aid, according to the Economics Ministry in the Hague, could well take the form of a subordinated loan—the size was not given—and there may be some rearrangement of the

shareholding in Daf Truck. The latter agreement is reached with all the parties involved, would mean that DSM, the state-owned Dutch chemical company, International Harvester and the Van Doorne family would each have an equal one-third stake in the new setup.

The Daf Truck staff council was told in Eindhoven today that with the exclusion of certain types of lorries, total lorry orders received each week were still remaining behind production, which has already been reduced to three days a week through short-time working.

The European lorry market was not showing any signs of a recovery. Even if the market improved somewhat in the second half of next year, next year's sales, at 10,000-11,000 units, would not exceed this year's production. From 1976 sales are expected to be "marching through the bottom of the valley."

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Agreement near at Innocenti

By Rupert Cornwell

ROME, August 28. BARRING A last-minute reaction on the shopfloor, a formula has been found to end, for the time being at least, the row between management and unions over the cutbacks required to safeguard Innocenti, the troubled Italian subsidiary of British Leyland.

To-morrow morning the 4,500 workers at the company's Lambrate works near Milan will vote on a compromise three-month agreement elaborated at a series of meetings here between the two sides under the aegis of the labour minister Mario Toros.

The temporary solution, which has the backing of Innocenti managing director Mr. Percy Plant and the conditional support of union representatives at the Rome talks, would involve virtually the entire workforce being put on partial rotating layoffs, supported by the government unemployment relief fund. Only between 170 and 200 men would be totally laid off and paid from the fund, instead of the 1,700 which the management was originally seeking.

However this solution, assuming it is ratified at Lambrate, is only a stopgap. When it expires in three months time, decisions will have to be taken over generating new business at Innocenti. If they are not, then the dispute will be back to square one, something that the company, losing at present up to L400,000 per vehicle built, can afford as little as anyone.

Strike hits Burmeister yard

BY HILARY BARNES

THE BURMEISTER and Wains shipyard, fighting to improve its financial position after a series of poor years which culminated with a Kr.142m. (about £10m.) loss in 1974, has been virtually paralysed by an unofficial strike of 200 workers this week.

The strikers have blockaded the entrance to the yard, cutting off deliveries of gas and thereby bringing welding to a halt. The strike has persisted in spite of a labour court fine amounting to about Kr.580 (£46) per worker. The Employers Federation today asked the court

to fine the union concerned as well for failing to make sufficient efforts to get the strikers back to work.

There is renewed speculation about the future of the yard, with the financial newspaper Boersen describing the action as a sign of the current state of the world shipbuilding industry. But majority shareholder and group chief executive Jan Bonde Nielsen was quoted today as saying that the situation was under control and that he has never had any thought of closing the yard.

COPENHAGEN, August 28.

Mr. Nielsen had said earlier that he expected the yard to break even this year and to become profitable in 1976.

Mr. Lelf Hartwell, chairman of the Employers Federation, complained today that the strike and several other recent unofficial actions were damaging Denmark's reputation as a country of good labour relations.

The secretary to the labour court, Judge C. Ole Christensen, expressed his frustration at the failure of workers to recognise the court's decisions, said today that he could not understand why the police were not asked to clear the strikers from the yard's entrance.

Maintained profits for Svenska Flakt

BY JOHN WALKER

STOCKHOLM, August 28.

IN SPITE of a worsening in profitability during the first half of this year, Svenska Flakt, the Swedish industrial ventilation and air conditioning concern expects to show an unchanged profit level for the whole of 1975. Recently the company completed a heavy investment programme which should benefit sales and profits during the second half of this year, the company says in its six-month interim report.

Sales in the first six months of this year amounted to Kr.572m. (193m.) compared with Kr.513m. in the same period of 1974. Costs rose from Kr.470m. in the first half of 1974 to Kr.540m. this year. The profit before appropriations and taxes amounted to Kr.19m. in the first half of this year compared with Kr.34m. in the same period of 1974. The order intake during the first half of this year amounted to Kr.952m. (£145m.) compared with Kr.892m. last year.

Spokesman for the concern said that the improvements on a year earlier were "satisfying, at a time when Norwegian industry generally has been going through a difficult period." He said that they were chiefly due to higher sales of Hydro's traditional products, particularly fertiliser, and reflected both increased production and higher prices. The annual report and detailed accounts are due to be published in mid-October.

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SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Amstat 5 1/2% 1988	99 1/2	100 1/4	American Express 4 1/2% '87	99	100
Amstat 5 1/2% 1987	99 1/2	100 1/4	Amstat 5 1/2% 1987	99 1/2	100 1/4
Amstat 5 1/2% 1986	99 1/2	100 1/4	Amstat 5 1/2% 1985	99 1/2	100 1/4
Amstat 5 1/2% 1985	99 1/2	100 1/4	Amstat 5 1/2% 1984	99 1/2	100 1/4
Amstat 5 1/2% 1984	99 1/2	100 1/4	Amstat 5 1/2% 1983	99 1/2	100 1/4
Amstat 5 1/2% 1983	99 1/2	100 1/4	Amstat 5 1/2% 1982	99 1/2	100 1/4
Amstat 5 1/2% 1982	99 1/2	100 1/4	Amstat 5 1/2% 1981	99 1/2	100 1/4
Amstat 5 1/2% 1981	99 1/2	100 1/4	Amstat 5 1/2% 1980	99 1/2	100 1/4
Amstat 5 1/2% 1980	99 1/2	100 1/4	Amstat 5 1/2% 1979	99 1/2	100 1/4
Amstat 5 1/2% 1979	99 1/2	100 1/4	Amstat 5 1/2% 1978	99 1/2	100 1/4
Amstat 5 1/2% 1978	99 1/2	100 1/4	Amstat 5 1/2% 1977	99 1/2	100 1/4
Amstat 5 1/2% 1977	99 1/2	100 1/4	Amstat 5 1/2% 1976	99 1/2	100 1/4
Amstat 5 1/2% 1976	99 1/2	100 1/4	Amstat 5 1/2% 1975	99 1/2	100 1/4
Amstat 5 1/2% 1975	99 1/2	100 1/4	Amstat 5 1/2% 1974	99 1/2	100 1/4
Amstat 5 1/2% 1974	99 1/2	100 1/4	Amstat 5 1/2% 1973	99 1/2	100 1/4
Amstat 5 1/2% 1973	99 1/2	100 1/4	Amstat 5 1/2% 1972	99 1/2	100 1/4
Amstat 5 1/2% 1972	99 1/2	100 1/4	Amstat 5 1/2% 1971	99 1/2	100 1/4
Amstat 5 1/2% 1971	99 1/2	100 1/4	Amstat 5 1/2% 1970	99 1/2	100 1/4
Amstat 5 1/2% 1970	99 1/2	100 1/4	Amstat 5 1/2% 1969	99 1/2	100 1/4
Amstat 5 1/2% 1969	99 1/2	100 1/4	Amstat 5 1/2% 1968	99 1/2	100 1/4
Amstat 5 1/2% 1968	99 1/2	100 1/4	Amstat 5 1/2% 1967	99 1/2	100 1/4
Amstat 5 1/2% 1967	99 1/2	100 1/4	Amstat 5 1/2% 1966	99 1/2	100 1/4
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Amstat 5 1/2% 1963	99 1/2	100 1/4	Amstat 5 1/2% 1962	99 1/2	100 1/4
Amstat 5 1/2% 1962	99 1/2	100 1/4	Amstat 5 1/2% 1961	99 1/2	100 1/4
Amstat 5 1/2% 1961	99 1/2	100 1/4	Amstat 5 1/2% 1960	99 1/2	100 1/4
Amstat 5 1/2% 1960	99 1/2	100 1/4	Amstat 5 1/2% 1959	99 1/2	100 1/4
Amstat 5 1/2% 1959	99 1/2	100 1/4	Amstat 5 1/2% 1958	99 1/2	100 1/4
Amstat 5 1/2% 1958	99 1/2	100 1/4	Amstat 5 1/2% 1957	99 1/2	100 1/4
Amstat 5 1/2% 1957	99 1/2	100 1/4	Amstat 5 1/2% 1956	99 1/2	100 1/4
Amstat 5 1/2% 1956	99 1/2	100 1/4	Amstat 5 1/2% 1955	99 1/2	100 1/4
Amstat 5 1/2% 1955	99 1/2	100 1/4	Amstat 5 1/2% 1954	99 1/2	100 1/4
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Amstat 5 1/2% 1953	99 1/2	100 1/4	Amstat 5 1/2% 1952	99 1/2	100 1/4
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Amstat 5 1/2% 1950	99 1/2	100 1/4	Amstat 5 1/2% 1949	99 1/2	100 1/4
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Amstat 5 1/2% 1948	99 1/2	100 1/4	Amstat 5 1/2% 1947	99 1/2	100 1/4
Amstat 5 1/2% 1947	99 1/2	100 1/4	Amstat 5 1/2% 1946	99 1/2	100 1/4
Amstat 5 1/2% 1946	99 1/2	100 1/4	Amstat 5 1/2% 1945	99 1/2	100 1/4
Amstat 5 1/2% 1945	99 1/2	100 1/4	Amstat 5 1/2% 1944	99 1/2	100 1/4
Amstat 5 1/2% 1944	99 1/2	100 1/4	Amstat 5 1/2% 1943	99 1/2	100 1/4
Amstat 5 1/2% 1943	99 1/2	100 1/4	Amstat 5 1/2% 1942	99 1/2	100 1/4
Amstat 5 1/2% 1942	99 1/2	100 1/4	Amstat 5 1/2% 1941	99 1/2	100 1/4
Amstat 5 1/2% 1941	99 1/2	100 1/4	Amstat 5 1/2% 1940	99 1/2	100 1/4
Amstat 5 1/2% 1940	99 1/2	100 1/4	Amstat 5 1/2% 1939	99 1/2	100 1/4
Amstat 5 1/2% 1939	99 1/2	100 1/4	Amstat 5 1/2% 1938	99 1/2	100 1/4
Amstat 5 1/2% 1938	99 1/2	100 1/4	Amstat 5 1/2% 1937	99 1/2	100 1/4
Amstat 5 1/2% 1937	99 1/2	100 1/4	Amstat 5 1/2% 1936	99 1/2	100 1/4
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Amstat 5 1/2% 1935	99 1/2	100 1/4	Amstat 5 1/2% 1934	99 1/2	100 1/4
Amstat 5 1/2% 1934	99 1/2	100 1/4	Amstat 5 1/2% 1933	99 1/2	100 1/4
Amstat 5 1/2% 1933	99 1/2	100 1/4	Amstat 5 1/2% 1932	99 1/2	100 1/4
Amstat 5 1/2% 1932	99 1/2	100 1/4	Amstat 5 1/2% 1931	99 1/2	100 1/4
Amstat 5 1/2% 1931	99 1/2	100 1/4	Amstat 5 1/2% 1930	99 1/2	100 1/4
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Amstat 5 1/2% 1928	99 1/2	100 1/4	Amstat 5 1/2% 1927	99 1/2	100 1/4
Amstat 5 1/2% 1927	99 1/2	100 1/4	Amstat 5 1/2% 1926	99 1/2	100 1/4
Amstat 5 1/2% 1926	99 1/2	100 1/4	Amstat 5 1/2% 1925	99 1/2	100 1/4
Amstat 5 1/2% 1925	99 1/2	100 1/4	Amstat 5 1/2% 1924	99 1/2	100 1/4
Amstat 5 1/2% 1924	99 1/2	100 1/4	Amstat 5 1/2% 1923	99 1/2	100 1/4
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Amstat 5 1/2% 1906	99 1/2	100 1/4	Amstat 5 1/2% 1905	99 1/2	100 1/4
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Amstat 5 1/2% 1992	99 1/2	100 1/4	Amstat 5 1/2% 1991	99 1/2	100 1/4
Amstat 5 1/2% 1991	99 1/2	100 1/4	Amstat 5 1/2% 1990	99 1/2	100 1/4
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Amstat 5 1/2% 1989	99 1/2	100 1/4	Amstat 5 1/2% 1988	99 1/2	100 1/4
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Amstat 5 1/2% 1985	99 1/2	100 1/4	Amstat 5 1/2% 1984	99 1/2	100 1/4
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Amstat 5 1/2% 1980	99 1/2	100 1/4	Amstat 5 1/2% 1979	99 1/2	100 1/4
Amstat 5 1/2% 1979	99 1/2	100 1/4	Amstat 5 1/2% 1978	99 1/2	100 1/4
Amstat 5 1/2% 1978	99 1/2	100 1/4	Amstat 5 1/2% 1977	99 1/2	100 1/4
Amstat 5 1/2% 1977	99 1/2	100 1/4	Amstat 5 1/2% 1976	99 1/2	100 1/4
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Amstat 5 1/2% 1975	99 1/2	100 1/4	Amstat 5 1/2% 1974	99 1/2	100 1/4
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Amstat 5 1/2% 1973	99 1/2	100 1/4	Amstat 5 1/2% 1972	99 1/2	100 1/4
Amstat 5 1/2% 1972	99 1/2	100 1/4	Amstat 5 1/2% 1971	99 1/2	100 1/4
Amstat 5 1/2% 1971	99 1/2	100 1/4	Amstat 5 1/2% 1970	99 1/2	100 1/4
Amstat 5 1/2% 1970	99 1/2	100 1/4	Amstat 5 1/2% 1969	99 1/2	100 1/4
Amstat 5 1/2% 1969	99 1/2	100 1/4	Amstat 5 1/2% 1968	99 1/2	100 1/4
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Amstat 5 1/2% 1962	99 1/2	100 1/4	Amstat 5 1/2% 1961	99 1/2	100 1/4
Amstat 5 1/2% 1961	99 1/2	100 1/4	Amstat 5 1/2% 1960	99 1/2	100 1/4
Amstat 5 1/2% 1960	99 1/2	100 1/4	Amstat 5 1/2% 1959	99 1/2	100 1/4
Amstat 5 1/2% 1959	99 1/2	100 1/4	Amstat 5 1/2% 1958	99 1/2	100 1/4
Amstat 5 1/2% 1958	99 1/2	100 1/4	Amstat 5 1/2% 1957	99 1/2	100 1/4
Amstat 5 1/2% 1957	99 1/2	100 1/4	Amstat 5 1/2% 1956	99 1/2	100 1/4
Amstat 5 1/2% 1956	99 1/2	100 1/4	Amstat 5 1/2% 1955	99 1/2	100 1/4
Amstat 5 1/2% 1955	99 1/2	100 1/4	Amstat 5 1/2% 1954	99 1/2	100 1/4
Amstat 5 1/2% 1954	99 1/2	100 1/4	Amstat 5 1/2% 1953	99 1/2	100 1/4
Amstat 5 1/2% 1953	99 1/2	100 1/4	Amstat 5 1/2% 1952	99 1/2	100 1/4
Amstat 5 1/2% 1952	99 1/2	100 1/4	Amstat 5 1/2% 1951	99 1/2	100 1/4
Amstat 5 1/2% 1951	99 1/2	100 1/4	Amstat 5 1/2% 1950	99 1/2	100 1/4
Amstat 5 1/2% 1950	99 1/2	100 1/4	Amstat 5 1/2% 1949	99 1/2	100 1/4
Amstat 5 1/2% 1949	99 1/2	100 1/4	Amstat 5 1/2% 1948	99 1/2	100 1/4
Amstat 5 1/2% 1948	99				

The Property Market

BY JOHN TRAFFORD

Investment interest in tenanted farmland

AT long last, we may well have reached the bottom of the investment market in industrial land. The January-June Farmland Market report, published last week admittedly showed a 4.6 per cent. drop in overall farmland prices compared with the second half of 1974 but the publication encouragingly noted a strong upward movement in the final two months—May and June—of the period under review.

It was during this period that the major deals recently reported were taking place, the most notable being Eagle Star's 14m. purchase of the late Lord Rank's 10,000 acre Sutton Manor Estate in Hampshire, the Guardian Royal Exchange's 13.2m. purchase of the 7,284 acre Necton Estate in Lincolnshire and Commercial Union's purchase for £4.5m. of the 13,540 acre Pomorie Estate on Tayside in eastern Scotland.

Since then, thanks perhaps to the holiday period, there has been little news but that does not indicate a dearth of investment interest. If anything the reverse applies and reports reaching this office suggest that a number of big and medium sized institutions and merchant banks are currently studying the market closely to see when they should start to move in.

Sentiment is clearly of the

utmost importance for, once the fund managers are convinced that the market is turning up and that yields are likely to fall, they will want to jump in quickly at the head of the queue.

The point of particular interest is tenanted estates. In recent months this has been an exceptionally weak sector and land prices have often stood at a heavy discount to the price obtainable for land with vacant possession. It has even been found for tenanted land to sell at £300 an acre close to land with vacant possession which is selling at over double that figure.

At present tenanted land is very much under a cloud because the owners of estates are going to suffer very severely from Capital Transfer Tax (only "working farmers" will get some tax relief). The incidence of the tax will be so severe as to cause the forced sale of good, tenanted agricultural land if the landowner cannot lay his hands on other assets to meet the tax charge. Under these circumstances, the natural home for much of the tenanted land seems to be the institutions. Once under their ownership CTT can do no further damage, the land stands the chance of being provided with sufficient funds to keep it efficiently farmed and the institutions are assured of an asset which, whatever the vagaries of the market place, is part of an ever-diminishing stock.

At the height of the farmland boom in 1973, institutions were buying at yields of under 2 per cent. At the present time some good farming land can be bought at a yield of 5 to 6 per cent. for

large estates of more than 1,000 acres. Just how long such relatively high yields will last is not likely to be one of the more interesting pointers on the investment front to watch in the autumn season.

In the view of Farmland Market (which is published jointly by Estates Gazette and Farmers' Weekly) the farmland market should now enjoy a period of "steady but not spectacular growth." The journal rightly warns that values will be closely tied to agricultural prosperity.

Vadé mecum for Sweden

ANYONE interested in development in Sweden or thinking of investing in Swedish commercial property should get hold of a copy of an excellent 48-page report just published by Chestertons, the only British agent active in the commercial property sector there.

The report, comfortably, does not assume much knowledge on the part of the reader. Freeholds and leaseholds are explained together with the tax laws and methods of financing investments. The agents estimate that Stockholm office rentals range from S.Kr.350 to S.Kr.500 a square metre (£3.60 to £5.10 a square foot) and provincial offices from S.Kr.175 to S.Kr.350 a square metre (£1.80 to £3.60 a square foot).

Industrial rents also mirror the British provincial levels, ranging from S.Kr.100 to S.Kr.175 a square metre (£1.00 to

£1.80 a square foot). Shopping office rentals, especially in the provinces, are likely to rise by 30 to 40 per cent. over the next few years "in order to compensate for the present high costs involved in construction."

A number of British developers who pressed ahead with speculative schemes using that line of argument know how false it can be: it is, after all, the supply-demand balance and not building costs that have a direct effect on rents even if high building costs can eventually dry up the supply.

The final two-thirds of the report are devoted to a survey of plans, and the office, shop and industrial property scene in the three leading cities—Stockholm, Gothenburg and Malmö—complete with photographs and examples of recent asking rents.

A report on the Commercial Property Market in Sweden, August, 1975, Chestertons, 9 Wood Street, London EC2V 7AR.

There could be few clearer indications of why British business is slow-moving and unadventurous. Sweden, with a strong socialist tradition, still takes care not to hamper investment decisions with unnecessary red tape, a product which is seemingly much loved by Whitehall and local councils.

Office building costs are high in Sweden, amounting to around S.Kr.2,000 a square metre including contractor's architect's fee in Stockholm and S.Kr.1,850 a square metre in the provinces. At this level, it is impossible to construct new offices in the provinces and get a reasonable return on current provincial rents. The agents conclude that

office rentals, especially in the provinces, are likely to rise by 30 to 40 per cent. over the next few years "in order to compensate for the present high costs involved in construction."

Reality at last

CHAMBERLAIN and Willows have their friends among the other agents. Following my note last month on the confused pattern of industrial rents, Mr. Allan Hertz of Conrad Ribbat has written at length confirming the Chamberlain and Willows view of the present situation. He finds, like them, plenty of evidence that there is a strong demand for industrial property in the 5-15,000 square foot range which he thinks remarkable in view of the current economic and political climate.

He goes on: "Rental values that should have been achieved are now being achieved whereas developers and speculators, who created industrial estates purely based on hypothetical rental values, are now having to adjust these rents down to the market norm—which is different from saying that rental values have reduced."

Community Land band waggon

OUR leading firms of surveyors have recently been stressing the comprehensive services they can offer local authorities who are weighed down by the prospects of the responsibility to become the major agencies for property development placed on them in the Community Land Bill. Local authorities' demand for consultancy services should certainly be a growth market in the present climate of budget cut-backs since it is impossible for councils to take on more permanent staff to handle their new role; on the other hand they will be able to pay outsiders for professional help.

The latest firm to climb on to this particular band wagon is the Bois Waters Cohen Partnership, a 17-man consultancy comprising planners, architects, development analysts and valuers which was formed in 1971. The company yesterday launched a Community Land Consultancy, a package deal designed to provide the necessary help to local authorities.

Brian Waters, one of the partners, explains that the firm's selling points include the fact that many of the staff have themselves been local government officers and so know the score from the inside. The company, he says, is very project management orientated and can offer the integrated skills of a multi-disciplined staff. In theory, Richard Ellis, which has its own architects' department ought to be able to match the Bois Waters

The Financial Times Friday August 29 1975.

Cohen package but Waters feels that his own company integrates its architects more fully into the work of its other specialists.

The Community Land Consultancy is separated into four stages: a review of objectives, the formation of a land acquisition and management scheme, a review of resources and commitments and finally the preparation of detailed procedures and job descriptions for staff.

Faced with a barrage of offers to provide helpful but doubtless expensive advice, one of the big problems for local authorities will be to choose the organisations that really can deliver the right professional services at a reasonable price.

OUT AND ABOUT

● Midland Bank Trust Company is paying close to £5 a square foot for the 6,000 square foot renovated Regency office building Hanover House in Mount Ephraim Road, Tunbridge Wells. This is thought to be the highest level achieved in the town. The restoration was carried out by R. Gray Developments and financed by the Merchant Investors Property Fund, advised by Richard Ellis. Project managers were Ray Russell and Company. The developer's agents, Ratcliffe, were jointly reconstructed with the vendor's agents, Brackets of Tunbridge Wells, upon the letting.

● Lazard Property Unit Trust has paid £275,000 for super-market development recently completed by Interland Estates in Bath Street, Ilkerton, Derbyshire. The property comprises 15,000 square foot of retail space, 6,000 square foot of ancillary storage space and a 70 vehicle car park. A preletting to Fines Fare has been arranged at a rental of £25,750 a year. Gordon Hudson acted on behalf of Interland in the acquisition, preletting and sale; Weatherall Green and Smith acted for the purchasers.

A reversion in Princes Street

IN ONE of the rare reversionary investment deals done in recent months, Barclays Bank Trust Company has bought the heritable interest in a prime shop in Edinburgh for £270,000. The shop, a small corner unit at 78 Princes Street with a long return frontage on the less important Collingwood Street, is occupied by Collingwoods, the County Jewellers, at a rental substantially below current levels for Princes Street, one of the prime shopping streets in the United Kingdom.

Terms were agreed in the spring when the investment market was rather less buoyant but even so there were a number of institutions buyers interested in the property. The reason is obvious enough: there are very few shops—less than half a dozen, perhaps—in Princes Street that are not yet owned by institutions so, when one of them comes on to the market, the competition is fierce.

The interest in the deal must surround the differential between the actual and current market rental value for the

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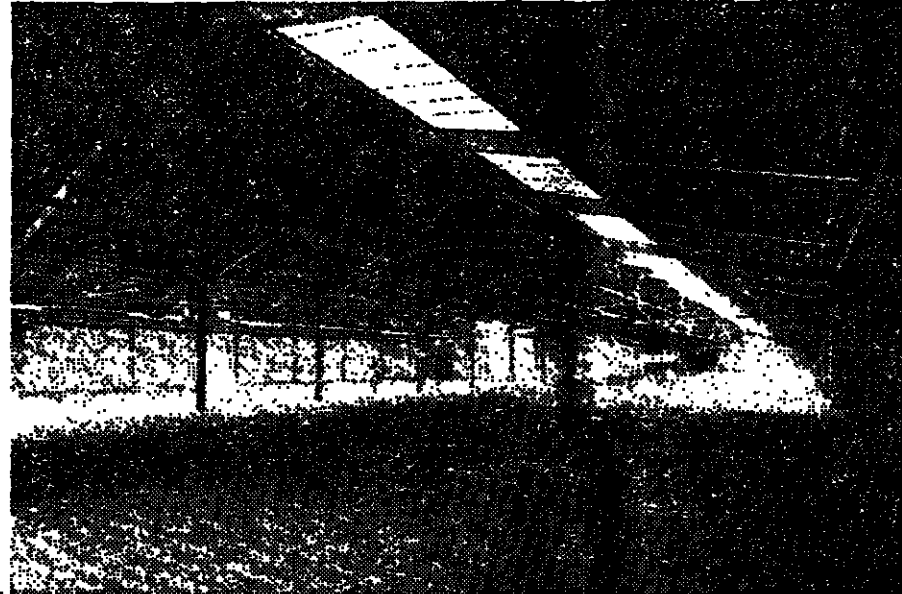
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APPOINTMENTS

Changes on Vauxhall Motors Board

Survey of trading profits shows rise of 13.4%

lugs for Ordinary dividend jumped 72.8 per cent. with dividend payments up 22.2 per cent.

- In the financial sector earnings for dividend were up a modest 7.6 per cent. with dividends a little higher at 8.6 per cent. The net return on capital employed for the industrial companies was 18.7 per cent., for the financial concerns 9.3 per cent., and for the commodities companies 15.1 per cent.

the period between January 15 and April 14 this year and which published their reports up to the end of July. In the corresponding period last year trading profits of some 303 industrial companies rose by 19.4 per cent.

Oil companies showed the sharpest rise in trading profits, with an increase of 72.4 per cent., while in the financial sector investment trusts registered a 57.5 per cent. gain.

The worst fall in trading profits was in the leisure sector where trading profits slumped by 79.5 per cent.

In commodities the greatest gains came from the tin companies with trading profits up 46 per cent.

Earnings for Ordinary dividend among the industrial companies were up only 0.03 per cent, although the amount paid increased by 6.8 per cent on the previous survey. Among oil companies, however, earn-

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 431 companies whose account year ended in the period between January 15, 1975, and April 14, 1975, which published their reports up to the end of July, 1975. (Figures in £000.)

INDUSTRY	No. of Co.	Trading Profit (1)	% change (2)	Profit before Tax (3)	Pre-Tax Profit (4)	Tax (5)	Earnings for Dividends (6)	% change (7)	Cash Flow (8)	Net Capital Employed (9)	Net Profit (10)	Net Current Assets (11)
BUILDING MATERIALS	17	111,944 (131,766)	-15.1	76,639 (102,445)	62,668 (93,665)	36,854 (46,052)	25,334 (45,145)	-43.9	12,172 (11,686)	48,161 (61,681)	980,114 (1,613,040)	13.0 151,252
CONTRACTING & CONSTRUCTION	13	18,542 (16,768)	+10.6	11,925 (13,506)	9,793 (10,676)	23,713 (4,860)	4,955 (6,664)	-12.8	1,421 (1,427)	9,498 (9,351)	92,954 49,231	25.4 75.4
TEXTILES (EX. WALKER, BOLL)	6	67,569 (67,165)	+0.6	51,421 (52,542)	42,975 (45,900)	19,598 (21,134)	21,948 (34,264)	-10.8	8,592 (8,179)	28,211 (30,261)	400,282 270,446	12.8 19.4
ENGINEERING	48	126,157 (96,556)	+30.5	100,047 (76,826)	84,708 (64,545)	48,280 (32,958)	43,694 (31,445)	+36.6	13,061 (12,363)	46,866 (36,711)	620,558 447,050	19.2 17.0
MACHINE TOOLS	8	19,138 (17,131)	+11.6	14,286 (12,653)	10,678 (9,864)	8,072 (6,707)	1,895 (4,271)	-55.5	1,522 (2,348)	4,624 (5,973)	128,218 105,554	11.0 11.9
MISC. CAPITAL GOODS	6	35,615 (24,764)	+43.7	31,047 (21,072)	23,734 19,558	12,198 (9,209)	11,182 (10,072)	+11.1	2,284 (2,108)	12,710 (10,053)	190,236 (123,748)	16.5 17.9
TOTAL CAPITAL GOODS	84	376,996 (274,464)	+7.0	286,363 (214,156)	234,856 (244,000)	147,159 (177,937)	109,214 (92,210)	-9.9	39,152 (38,151)	150,070 (1,803,312)	1,578,502 1,678,870	15.4 18.4
ELECTRONICS	5	56,725 (47,464)	+17.5	33,990 (27,471)	21,968 (18,774)	16,470 (13,671)	14,284 (13,670)	+10.3	3,668 (3,333)	26,753 (22,272)	170,629 116,510	22.8 21.1
HOUSEHOLD GOODS	11	20,205 (19,645)	+6.8	16,543 (15,587)	12,951 (12,675)	8,718 (8,870)	8,590 (8,870)	-14.1	2,081 (2,069)	7,395 (7,357)	92,768 75,207	17.1 15.4
MOTORS & COMPONENTS	9	56,974 (38,089)	+31.6	29,425 (23,332)	22,558 (18,676)	10,291 (9,166)	11,782 (8,732)	+34.0	3,966 (5,335)	14,427 (10,427)	155,131 120,805	19.2 18.5
MOTOR DISTRIBUTORS	8	10,587 (10,129)	+4.5	8,576 (6,194)	5,467 (3,760)	2,007 (2,007)	1,451 (1,649)	-13.2	866 (818)	5,446 (5,669)	40,267 33,769	14.3 15.7
TOTAL CONSUMER DURABLES	21	128,870 (105,266)	+17.6	90,033 (77,696)	70,794 (55,596)	35,812 (53,027)	33,468 (30,326)	+10.8	10,508 (9,615)	55,791 (45,962)	457,995 (396,308)	19.4 (21.2)
BREWERS	4	42,896 (42,816)	-0.4	34,019 (38,913)	23,598 (29,659)	13,937 (14,955)	13,440 (14,404)	-22.9	6,024 (6,528)	17,733 (27,569)	456,218 325,991	17.8 14.1
DISTILLERS & WINES	2	4,910 (3,890)	+23.6	4,070 (3,509)	2,708 (2,473)	1,526 (1,243)	1,115 (1,155)	-3.5	499 (486)	1,216 (1,128)	22,970 (24,876)	12.4 13.5
RESTAURANTS & CATERERS	1	1,268 (1,015)	+24.9	1,106 (884)	956 (768)	580 (312)	675 (105)	+26.1	334 (315)	5,506 (4,395)	20,808 15,531	18.8 20.1
RETAILERS	1	87 (425)	-79.5	-27 (307)	-29 (307)	-29 (161)	-29 (146)	-119.9	-	60 (161)	780 (664)	-46.2 12.8
FOOD MANUFACTURING	16	197,170 (124,141)	+17.2	114,543 (97,445)	69,675 (70,549)	34,220 (31,045)	29,901 (33,047)	-12.5	12,149 (11,685)	56,449 (56,166)	895,107 (635,837)	12.8 11.7
FOOD RETAILING	9	68,036 (59,123)	+4.9	48,068 (47,003)	46,992 (48,752)	24,796 (24,580)	20,818 (21,230)	-1.9	7,833 (7,202)	28,398 (25,289)	398,765 (241,304)	16.3 19.5
NEWSPAPERS AND PUBLISHERS	6	8,592 (6,656)	-10.8	6,888 (6,007)	5,643 (7,411)	3,189 (6,077)	2,197 (2,815)	-26.7	1,029 (966)	2,176 (1,035)	57,698 (48,944)	18.5 18.6
PACKAGING AND PAPER	8	67,710 (44,368)	+24.0	51,870 (40,154)	48,009 (34,356)	20,774 (15,179)	18,826 (15,537)	+20.4	5,467 (6,135)	29,284 (25,068)	245,361 (224,855)	18.5 17.9
STORES	40	516,961 (316,918)	+28.7	379,230 (242,561)	358,853 (242,561)	171,918 (124,561)	164,972 (105,918)	-1.6	14,367 (15,468)	127,508 (154,568)	1,984,024 (1,808,568)	19.1 18.7
CLOTHING AND FOOTWEAR	19	25,415 (21,564)	+4.8	16,632 (15,178)	12,658 (13,654)	5,625 (7,034)	6,193 (6,193)	-8.8	2,679 (7,069)	7,662 (5,254)	35,560 17,4	17.4 32.168
TEXTILES	22	256,900 (246,151)	+4.4	192,898 (190,110)	154,406 (157,956)	42,161 (45,154)	104,574 (103,758)	-1.3	21,121 (21,121)	132,218 (139,214)	1,100,343 851,419	17.6 20.0
TOBACCO	1	6,651 (6,435)	+3.3	5,564 (6,304)	4,321 (6,195)	3,513 (3,296)	2,891 (2,659)	-8.7	541 (2,277)	2,515 (10,969)	10,893 56.8	58.8 85.31
TOYS AND GAMES	1	5,185 (5,331)	+27.1	4,414 (5,753)	3,561 (5,533)	1,871 (1,170)	1,953 (1,310)	+49.1	219 (1,64)	2,426 (1,812)	23,006 14,167	19.2 19.4
TOTAL CONSUMER NON-DURABLES	128	1,151,083 (1,005,491)	+14.7	861,011 (819,996)	706,723 (712,318)	322,813 (320,516)	363,885 (73,256)	-2.5	133,402 (124,958)	426,434 (429,929)	5,201,106 4,506,802	16.5 18.1
CHEMICALS	9	98,680 (82,769)	+19.2	82,141 (70,380)	74,084 (63,566)	34,956 (29,656)	36,679 (35,131)	-16.8	8,827 (7,725)	42,944 (36,626)	251,380 (205,284)	33.1 34.6
OFFICE EQUIPMENT	3	2,827 (2,325)	+21.8	2,256 (1,704)	1,639 (1,450)	964 (761)	658 (620)	-2.5	286 (207)	855 955	16,815 8,252	2.3 15.710
SHIPPING	3	11,156 (17,459)	+21.9	17,901 (12,364)	16,858 (12,364)	8,531 (8,098)	18,732 (6,730)	-37.6	1,520 (1,237)	16,166 (12,17)	117,549 94,616	13.2 13.2
MISC. INDUSTRIAL	65	307,487 (274,392)	+13.0	249,764 (218,312)	201,447 (176,877)	100,765 (89,091)	94,238 (83,639)	-11.4	30,379 (27,461)	117,365 (109,105)	1,597,125 1,267,773	15.6 17.2
TOTAL INDUSTRIALS	328	1,094,479 (877,998)	+18.4	1,069,438 (1,478,189)	1,305,791 (1,378,069)	615,766 (585,105)	652,014 (651,708)	+0.05	223,714 (208,414)	807,613 (799,125)	9,510,093 7,950,448	16.7 19.0
OIL	2	1,991 (1,155)	+72.8	1,385 (745)	1,254 (878)	728 (411)	903 (991)	-72.8	132 (496)	832 496	9,876 7,230	14.0 10.5
BANKS	2	126,854 (102,153)	+22.8	111,558 (91,064)	100,324 (80,391)	67,001 (44,389)	47,851 (41,838)	-14.4	10,669 (9,796)	61,731 (42,499)	400,529 373,631	29.9 27.4
DISCOUNT HOUSES MERCHANT BANKERS	9	18,949 (16,806)	+12.7	-	-	-	15,813 (11,716)	+17.9	5,675 (4,973)	-	3,886,527 (3,505,037)	-
RISK PURCHASES	1	1,738 (1,451)	+19.8	1,550 (1,302)	862 (803)	448 (416)	414 (367)	-7.0	126 (115)	370 (327)	9,556 9,258	16.6 14.1
INSURANCE	-	-	-	-	-	-	-	-	-	-	-	-
INSURANCE BROKERS	1	4,167 (3,890)	+22.9	3,623 (2,912)	3,564 (2,912)	1,812 (1,425)	1,706 (1,480)	-15.3	527 (480)	1,470 (1,264)	5,631 4,730	62.2 61.0
INVESTMENT TRUSTS	77	110,132 (69,946)	+57.5	108,811 (102,071)	82,949 (77,676)	51,541 (31,594)	49,215 (50,510)	-2.8	45,681 (42,51)	7,094 (7,932)	1,677,812 1,881,845	6.6 6.6
PROPERTY	12	76,435 (67,378)	+13.6	76,623 (66,668)	28,843 (26,187)	11,589 (12,009)	16,164 (13,550)	-15.8	9,420 (8,624)	7,089 (5,612)	1,194,634 (1,715,151)	6.4 6.2
MISC. FINANCIAL	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FINANCIAL	108	336,206 (262,117)	+29.1	301,165 (186,051)	226,042 (197,959)	102,191 (83,222)	129,153 (113,981)	-7.6	71,998 (56,307)	64,704 (57,694)	1,527,928 (1,612,407)	9.5 6.9
BUSINESS	-	-	-	-	-	-	-	-	-	-	-	-
TELE	-	-	-	-	-	-	-	-	-	-	-	-
TIN	2	5,450 (3,733)	+46.0	4,913 (3,250)	4,369 (3,079)	2,051 (1,817)	3,297 (1,745)	-31.6	1,666 (1,489)	1,141 (642)	18,023 (10,891)	27.2 24.9
MISCELLANEOUS MINING	5	64,418 (74,459)	-15.5	46,115 (40,767)	36,917 (35,695)	15,924 (20,184)	22,127 (21,268)	-4.1	9,661 (8,654)	28,136 45,659	33,093 511,319	12.9 13.1
OVERSEAS TRADING	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	5	69,665 (58,117)	-10.6	58,098 (46,115)	43,286 (35,695)	17,975 (15,924)	24,484 (21,268)	-6.2	11,217 (8,654)	29,369 45,659	850,125 511,319	15.1 12.9

[illegible]

BARCLAYS EXPORT AND FINANCE COMPANY—the leasing, industrial hire purchase and factoring arm of the bank, has signed a contract with Vickers Oceanics for an oil exploration support ship.

Financed by BEAFCO, the 2,000-ton vessel formerly known as "Franklin" has now been renamed "Vickers Vanguard." After extensive modifications being carried out by Manchester Drydocks at Trafford Wharf, Manchester, she will be completely redesigned.

after and, with new handling gear for the launch and recovery of two miniature Places submersibles.

The total cost to Barclays will be about £2m. and the ship will be on a primary borehole lease for ten years to Vickers Oceans, the oil company which is to operate the ship initially to British Petroleum in the Ninian Field.

Vickers Oceanics—part of the Vickers Offshore Engineering Group—primarily designs and builds support ships and submersible vessels for oil ex-

ploration operations, particularly, at present, in the North Sea.

HALLAM GROUP OF NOTTINGHAM has been awarded contracts worth £316,000 by Aberdeen County Council for the construction of 99 dwellings, forming part of the Minlaw 18th development—situated on part of the old Ader Estate a few miles out of Aberdeen. The orders also involve sub-contract work for main contract and ancillary works, for the erection and finish assembly of the Hallam housing

components. Work on site is due to start shortly, with completion scheduled for August 1976.

★

EMISOUND division of EMIL, based at Treorchy, South Wales, has received a further £800,000 contract by the Post Office (PO) for the design of a new type of designed dial which makes use of injection moulding techniques to achieve cost reductions and greater reliability. The new dial is interchangeable with previously used designs produced by Post Office designs.

CLYDE PORT AUTHORITY

INTERIM REPORT

The Clyde Port Authority this week announced their unaudited

Group Financial Results for the first 24 weeks of the year.			
			Year to 31st Dec.
	1975	1974	1975
	£'000	£'000	£'000
Gross Revenue	4,500	5,401	72,564
Gross Expenditure	4,751	3,856	9,747
Gross-Operating Surplus	1,749	1,545	2,462
Depreciation	672	764	2,097
Net Surplus	373	317	805
Interest	463	382	1,099



CLYDE PORT AUTHORITY,
16 Robertson Street,
Glasgow G2 8DS

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You wouldn't venture out of doors in the weathers. Lifeboatmen put to sea in. Yet they do it voluntarily, time and time again. Rescuing 100,000 people in all.

Mind, each rescue starts with each contribution made. Modern, self-righting boats now cost £90,000, and thousands to maintain.

Won't you consider joining a rescue party, too? For as little as £150 a year, you can join *Shoreline*, become part of our national membership, and give us the help we so urgently need on a regular basis. Remember, each rescue starts with each contribution given.



To: The Director, RNLI West Quay Rd., Poole, Dorset BH12 1SZ

Name _____

Address _____

I wish to help the RNLI in the following way:

☐ Enclose subscription to the RNLI Shoreline as an Associate Member £2.50

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☐ Member & Governor £10.00

☐ Enclose my donation of £ _____

Please send me details of how I can help with a Legacy or Covenant. ☐

RNLI

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FOR INVESTMENT

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has off main shopping road in Westcombe, Bournecliffe, for sale. The property is built at £3,500 a week. The residential property at present empty, part of the property is available for sale. The warehouse property can be vacant possession.
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URGENTLY WANTED
in Manchester city centre or within 20 mile radius: Restaurants, Bars, Disco Club, or hotels for private purchase. All replies in confidence to Box E.6168, Financial Times, 10, Cannon Street, EC4P 4BY.

1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 26

[illegible]

GOLD MARKET

NEW YORK, August 28

Gold coins			
(historically)			
Kruggerand.....	\$1655-1680	\$1655-1675	
	(178-79)	(178-79)	
New sovr'gns	\$324-552	\$514-581	
	(224-23)	(224-23)	
Old sovr'gns	\$214-524	\$514-525	
	(214-25)	(224-25)	
Gold coins			
Har'ra'n'aly	\$156-168	\$165-167	
Kruggerand.....	(178-79)	(178-79)	
New sovr'gns	\$491-50	\$491-50	
	(224-23)	(224-23)	
Old sovr'gns	\$491-50	\$491-50	
	(224-23)	(224-23)	
\$ 20 Eagles.....	\$246-49	\$247-249	

FOREIGN EXCHANGES		Market Rates	
Aug. 22 1973	Bank Rates %	Day's Spread	Close
New York	6 1/2	2.1880-2.1126	2.1835-2.1118
Montreal	3 1/4	2.1775-2.1850	2.1790-2.1810
Amsterdam	5 1/2	3.26-3.58	3.565-3.575

Brussels	18	90.65-91.85	90.85-91.81
Copenhagen	7 1/2	12.59-12.62	12.59-12.61
Frankfurt	1	5.42-5.45	5.45-5.46
Lisbon	6 1/2	56.70-58.25	55.50-56.56
Madrid	17	122.75-125.35	123.05-125.35
Milan	7	1.406-1.4104	1.4074-1.41
Oslo	5 1/2	11.58-11.61	11.60-11.61
Paris	8 1/2	6.224-6.265	6.255-6.265
Stockholm	6	8.76-8.8193	9.18-9.25
Tokyo	7 1/2	626-631	627 1/2-629 1/2
Vincent	6	58.70-58.80	58.50-59.19
Zurich	4	6.54-6.56 1/2	6.55 1/2-6.56

↑ Basic discount. * Rates given are for convertible francs; closing financial franc \$3.25-\$3.35. * Closing rate on Aug. should have been 2.1160-2.1110.

OTHER MARKETS

		* Notes Rates
Argentina	U.S.	Argentina 170-210
Australia	1.5587-1.6559	Australia 374-384
Swiss	17.48-17.6R	Switzerland 824-844

Finland	7.93-7.99	Brazil	4.1-25
Greece	89.18-89.57	Canada	2.17-2.2
Hong Kong	10.8828-.8875	Denmark	12.42-1.7
Iran	142.0-144.	France	9.10-5
Kuwait	0.811-0.821	Germany	5.25-5.5
Luxembg.	80.95-81.85	Greece	67.-68.55
Malaysia	5.2950-5.3165	Italy	1475-15
N.Zealand	1.8678-1.9841	Japan	620-85
Saudi Arabia	7.50-7.50	Sethi's Ids	2.50-2.5
Singapore	5.2935-5.3427	S. Korea	11.8-11.1

39	S.Africa....	7.4282-7.5145	Portugal.....	541-575
	U.S.....		Spain.....	122-13
of	Canada.....		Switzerland.....	500-2
16	U.S.		Taiwan.....	211-2
	U.S. cent.	95.77-96.80	Yugoslavia.....	57-59

† Based on rates quoted by specialized
 dealers. Other rates may be quoted else-
 where. ♦ Rate given is the commercial
 rate; financial rate not available.

	One month	Three months
New York	0.65-0.55 c.p.m.	1.67-1.57 c.p.m.
Moutrea	0.44-0.34 c.p.m.	1.10-1.00 c.p.m.
Amst'dam	34-24 c.p.m.	93-83 c.p.m.
Brussel	35-15 c.p.m.	90-70 c.p.m.
Copenhagen	28-5 ore pm	17-14 ore pm

Frankfurt	41.0-81.0 pf. pm	81.0-81.0 pf. pm
Lisbon	50.0-50.0 c. d. m	50.0-50.0 c. d. m
Milan	par-3 lire dis	4-7 lire dis
Nato	61.0-51.0 ore pm	153-183 ore pm
Paris	21.1-1.0: pm	15.6 - . pm
Stockh'lm	4-1.1 ore pm	8-5 ore pm
Vienna	40.00-1.00 par	70-40 grm par
Zurich	41.0-81.0 c. pm	12-11 c. pm

Six-month forward U.S. dollar 1.03-1.04
 one and 12-month 1.07-1.08

Aug. 22	Price ¢	1/4 of —	Div. 1/2 ¢	Div. 1/4 ¢
Creditanstalt	580	—	10	2
Perinoseer	341	—	12	3
Telefs	745	—	48	6

38	Seniperit	170		
39	Shayr Dalmier	145	+1	9
40	Vefi Magnesia	375		28

JOHANNESBURG				
August 28			Rand	+0
MINES				
Anglo American Cpn		14.50		-0
Buffelsfontein		21.00		

Charter Const.	23.00	
Const. Gold	24.00	+0
East Dries.	18.50	+0
Sisburg	3.50	+0
Harmony	8.35	+0
Kinross	7.00	
Kloof	9.75	+0
Lesale	1.19	
Pot. Plat.	2.40	+0
St. Helena	31.00	+0

Souda vaar	11.30	-0
Goldfields SA	131.50	+0
Union Cpn.	5.69	
De Beers Dfd.	3.25	-0
East Rand Props.	9.75	-0
Free State Geduld	129.50	-0
Hartbeespoortfontein	25.50	-0
President Brand	35.00	-0
President Steyn	117.00	
West Dries	142.00	-2
West Rand		

Western Holdings	33.00
Western Deep	119.25
INDUSTRIALS	
Anglo-Amer. Industrial	92.15
Anglo-Transvaal Industries	11.90
Barlow Rand	3.25
CNA Investments	2.00
Currie Finance	8.55
De Beers Industrial	7.25
Edgars Stores	38.00

Greatermark Stores	14.55	
Bulfinch	13.00	+0
Nedman	2.00	
OK Bazaars	19.00	
Ovenstone Investments	0.90	-0
Protea Holdings	1.35	
Reynold's Bros.	15.35	
SAPPI	1.70	-0
Sorec	71.80	
SA Breweries	1.26	-0

SA DISCOUNTS AND WINES	4.00
Unisc	1.02

SPAIN

August 28.	Per cent.
Aaland	264 -- 4
Banco Lopez Quemas	243 -- 4
Banco Bilbao	790 -- 2
Banco ash...	

Banco Azteca	(1,000)	675	-	4
Banco Central		969	2	6
Banesto (250)		626	-	3
Banco Exterior		590	-	1
Banco General		1,026	1	3
Banco Granada (1,000)		414	-	3
Banco Hispano		525	1	5
Banco Iberico		642	1	6
Indbanco		689	1	2
Banco Ind. Cxt. (1,000)		418	-	2
Banco Mision				

Banco Mercantil	(1,000)	778	—
Banco Noroeste		294	—
Banco Occidental		471	—
Banco Popula		675	—
Banco Santander (250)		915	-11
Banco Uruguay (1,000)		608	-12
Banco Vizcaya		660	-5
Banco Zaragozano		894	—
Bankunion		572	-2
Altos Hornos		158.50	-0.2
Rebstock & Co.		334	—

Cepco	316.50	- 2.5
CIC	405	- 2
Credico	174.00	- 8.5
Dragados	678	- 2
Immobanif	142	- 1
Energias Ara	152	+ 1
Espanola Zinc	238	-
Expl. Rio Tinto	314	- 2.5
Fesco (1.000)	126	- 1
Woteco (1.000)		

Financiero SA	453	- 2
Financiero Servicios	461	- 3
Gal. Preciados	412	- 3
Grupo Velazquez (408)	460	-
Hidrola	123.50	+ 0.50
Iberdrola	223	+ 2
Motor Iberica	226	-
Olarra	570	- 50
Petroliiber	388	-

Sartio Papalera	118	—
Seat (1,000)	160	— 2
Sevillana Elec.	157	+ 2
Smaco	120.50	—
Telefonica	226.50	— 0.50
Tubacex	325	—
Union Elec.	130	—
Union y Fenis	329	—
Urbis	214	—

NOTES: Overseas prices include premium. Belgian dividends are shown after withholding tax.

♦ DM500 denom.	unless otherwise stated	stated
♦ Kr.100 denom.	unless otherwise stated	stated
♦ Frs.500 denom.	unless otherwise stated	stated
♦ Frs.500 denom.	unless otherwise stated	stated
1 Yop 50 denom.	unless otherwise stated	stated
1 Price	or Price	or

a Florida. • **Schilling**. • **Cons.** • **Div.**
 dead after pending rights and/or
 issue. • **Per share**. / **France**. • **Div.**
 div. %. • **Assumed dividend** where
 and/or rights issue. • **After**
 taxes. • % tax free. • **France**: including
 Unlaid div. • **Nom**. • **Share split**. • **Div.**
 and yield exclude special payment. and
 exed div. • **Unofficial trading**. • **Minority**
 holders. • **Div.**

1. Ex. rights. 2. Ex. dividend. 3. Ex. stock.
 4. Ex. issue. 5. Ex. all. 6. Ex. interest. 7. Ex. increased.

100

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